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UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 21.

Section 1.

October 25, 1921.

Rail Situation

"A program for 'concerted action and harmony of effort' to prevent a tie-up of the transportation facilities of the country in the event of a railroad strike was decided upon October 24 by Attorney General Daugherty in conference with United States district attorneys from five cities. ... Professing his disbelief in the possibility of a general railroad strike materializing, Mr. Daugherty declared the conference was called for an 'understanding in any emergency'. He indicated that it was believed, on the strength of Supreme Court decisions, that the Government has the inherent right to protect itself from a paralysis of the country's transportation facilities and the power to use any laws applicable to accomplish that end." (Assoc. Press, Oct. 25.)

Railroad

Legislation

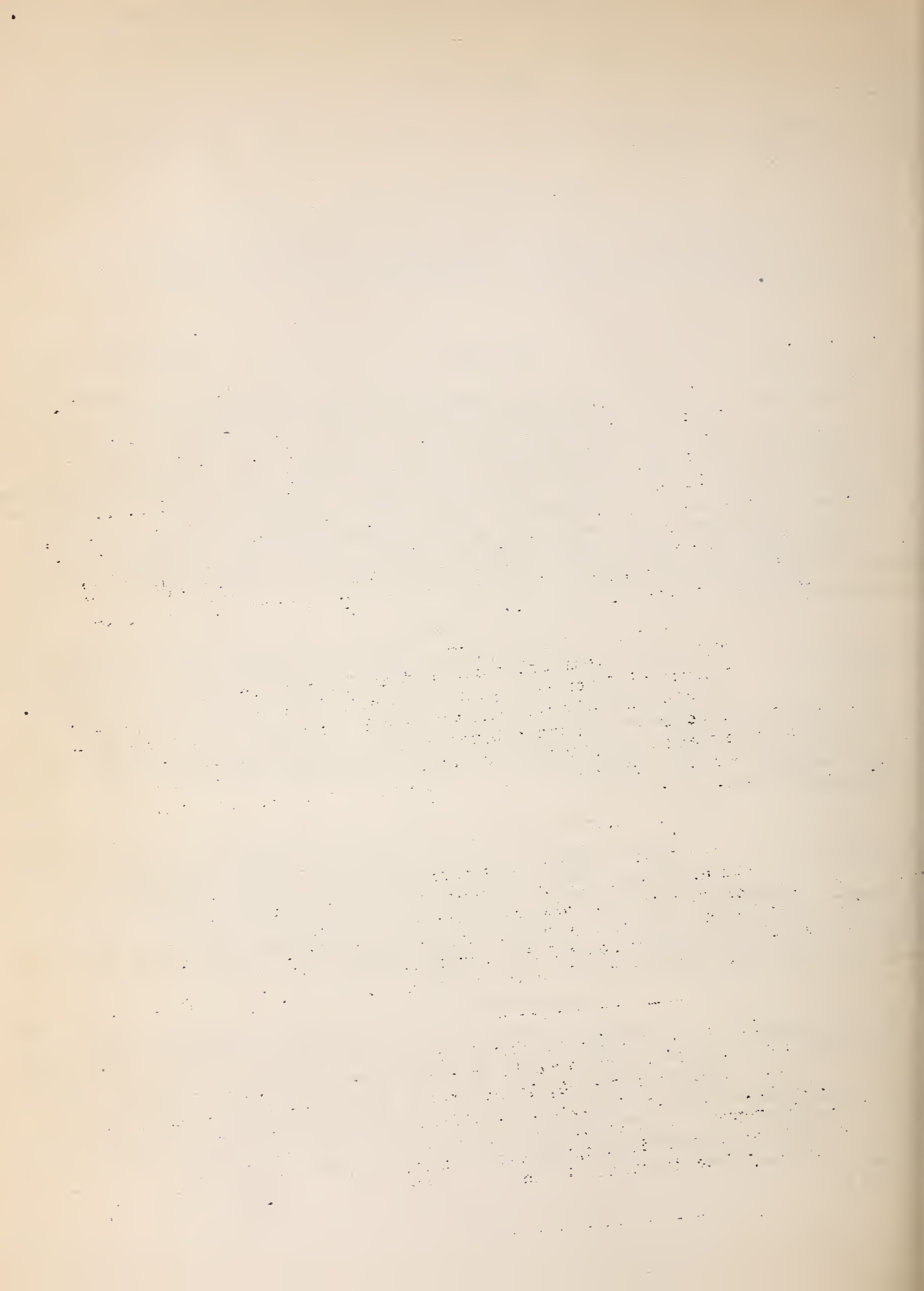
"The long smouldering movement in Congress for the repeal of the railroads' 6 per cent guaranty provision of the transportation act and also the Adamson railway wage law appeared in the open before the Senate Interstate Commerce Committee October 24, when representatives of the state railway commissioners and agricultural organizations appeared to urge such changes. Testimony of the representatives of the agricultural organizations will be heard to-day." (Press, Oct. 25.)

Tax Bill

Three separate proposals carrying reductions in the taxes on individuals having moderate incomes were voted down October 24 by the Senate. Discussions of them led to political discussion which culminated in an announcement by Senator Penrose, in charge of the tax revision bill, that on October 26 there would be submitted a resolution calling for continuous 24-hour sessions of the Senate until the revenue measure was finally disposed of. (Assoc. Press, Oct. 25.)

Federal Employees to be Rated

President Harding October 24 issued an executive order to the Bureau of Efficiency directing the immediate adoption of an efficiency rating for the 68,170 Federal employees within the District of Columbia. Herbert Brown, chief of the Bureau of Efficiency, stated that he would call a conference of the representatives of the various departments to-day and was prepared to put the proposed system into operation at once, as a survey already has been made and the necessary data is available to reclassify the workers. (Wash. Herald, Oct. 25.)



Section 2.

Agricultural
Loans

1. The War Finance Corporation has approved the following advances: \$9,775, to a bank in Nebraska, on agricultural loans; \$400,000, to a bank in North Carolina on agricultural loans; \$300,000, to an exporter in Arkansas on exports of cotton; \$10,000, to an exporter in North Carolina on exports of tobacco; \$5,000, to a bank in Kansas on agricultural loans. (W.F.C. press statement, Oct. 24.)

2. In an editorial on the War Finance Corporation, Wallaces' Farmer for October 21 says: "What will the War Finance Corporation do for the farmers? There is no question but that it will pull the city and country bankers out of a bad hole. But will its benefits reach down through the banking system to the man it was intended to help? The answer to this question rests with the bankers of the corn belt. If they are content with merely shifting to the corporation the burden of carrying the agricultural paper now on hand, the farmers' condition will only be slightly improved. But if they do this and also go on to make new loans to men whose permanent assets and whose character make them sound risks, they will give the farmers of the corn belt a new start towards prosperity."

Agriculture
in Congress

The Brice Current-Grain Reporter for October 19 says in its review of business and trade conditions: "President Harding's transparent effort to can Senator Kenyon, leader of the Agricultural Bloc, by offering him a Federal judgeship in Iowa, failed of course. ... As leader of the Bloc he is at the head of the most dangerous group of Congressmen who have been in Washington since the closing months of Buchanan's administration, when the southern members were a unit in their endeavor to wreck the Union by using their power to prepare for the Secession and war they saw coming. The Bloc's program at this time is the most alarming thing the country has to face. ... The Bloc has entirely cowed Penrose and compelled him to back upon the tax bill, repudiate party platform pledges, and remodel it to suit the demands of the farmer and proletariat groups, who mean to shift their burdens of taxation upon 'capital,' with the immediate effect of driving capital out of industry into war-exempt bonds issued for the benefit of farmers - the War Finance Corporation financing of farmers' associations, farm loan banks, etc. ... "

Cotton
Warehousing

The Wall Street Journal for October 24 says in an editorial: "One of the most important changes in the cotton industry, little noted, is in warehousing. So rapidly is this change coming that it promises to be almost revolutionary. The Federal warehouse law is five years old, and the Bureau of Markets has just announced that in the past six months more applications for licenses have been received than in the preceding four and one-half years. An ample supply of Federal licensed warehouses in the South, with a few at strategic points in the North, will prove of lasting benefit to producers, shippers, spinners and ultimate consumers. ... The present method of marketing cotton means further waste or loss to the farmer. In general cotton is simply hauled to the market town and there sold at so much a pound. Instances have been discovered where long staple, worth a big premium over the medium, has been sold at a discount. A better way of selling is now coming in vogue by way of the warehouse, whereby the cotton is graded.

classed and sold for what it actually is. Surely this should stimulate farmers to bend all their energies towards raising a superior grade of cotton. A still better system would be for a whole community to unite on one type and raise a standardized cotton. Consumers could, and would, pay more, because every mill wants cotton of a particular staple, for it cannot take anything and everything. ... Not alone the southern planter, but the shipper and the spinner should be intensely interested in the expansion of the warehouse movement."

Farming in
Britain Un-
profitable

S. F. Edge, an agriculturist of Sussex, Eng., is quoted in the American press of October 23 as stating that under present conditions farming in England does not pay. "This year," he says, "the average farmer lost money. Faced by a falling market, he has had to pay wages out of capital. Thus grazers have been losing from 10 pounds to 15 pounds per head on stock. Actually this year it pays me better to feed my stock on wheat than to sell the wheat. After keeping his sheep for two years the farmer gets a shilling a pound for the mutton, which the butcher sells for 2 shillings 8 pence a pound, making his 150 per cent profit in a week. On most farming land I can to-day only trace a profit on pigs. With prices of farm produce falling so fast that the cost of production is more than the price for which the animals or crops can sell, the farmer is faced with this situation: Unless he can reduce production costs, either he must give up farming - while he has still something left - or go bankrupt."

Grain
Shipping

"The movements of grains from the West is being accelerated as fast as is humanly possible, according to local railroad men most of this grain still being diverted to Philadelphia. ... The big grain movement is the direct result of the strike situation and the decisions on grain rates before the Interstate Commerce Commission are apparently being forgotten. There are at least 15,000,000 bushels of grain in the Buffalo elevators at present." (N.Y. Commercial, Oct. 22.)

Live-Stock
Financing

O. P. Byers, of Hutchinson, Kansas, conferred October 22 with the Directors of the War Finance Corporation regarding the formation of a new live-stock loan company, with a capital of from \$500,000 to \$1,000,000, to take care of the financing in connection with re-stocking the farms of Southwestern Kansas with cattle, for which there is ample room and plenty of feed. The War Finance Corporation agreed to make large advances to this company as soon as its organization is completed. In Montana one or more live-stock loan companies are in process of organization, through which it is expected that funds of the Corporation will be loaned in the state of Montana on a considerable scale, in addition to funds now going out through existing banks and loan companies. (W.F.C. press statement, Oct. 22.)

Tariff
in Italy

W. McL. Clarke, Canadian Trade Commissioner in Milan, reports that by the recent adoption of the new Italian tariff, Italy has got still further away from the free trade policy of Cavour and his successors. Although the tariff is not as protectionist as many in the country had hoped for, yet the end its framers had in view was to make Italian production competitive in the home market with the products of the world's exporting nations. (Jour. of Commerce, Oct. 19.)

Taxation

1. An editorial on "Tax-Exempt Securities" in The Nebraska Farmer for October 22 says in part: "The theory of taxation, when properly applied, is that there should be an equitable distribution of the taxes among all the people according to their ability to pay. This leads to an ever-growing desire that the vast fortunes of the rich should be reached in exactly the same sense that the land of the farmer is viewed for assessment. Or perhaps a comparison of equal force would be to say that there should be a draft upon incomes for service exactly as there was a draft upon men for service in the army during the war. ... The principal trouble now in taxing accumulated wealth is that a wrong course has heretofore been pursued, and this has left the way almost entirely open for the escape of such assessments. For instance, sixteen billion dollars is a conservative estimate of the amount of tax-free securities in this country. These securities bear interest at rates ranging from $3\frac{1}{2}$ to 5 per cent. They represent Government bonds, bonds of the Farm Loan banks and municipal securities. Anyone can purchase these tax-free securities and thus avoid taxation. It is easy, then, to see what the application of a surtax on large incomes will mean to the commercial progress and development of the country. ... The result of every effort that is made to tax large incomes under present conditions will simply serve as a deterrent against commercial and industrial progress. The one who has made a success of his business and who stands to have his profits taxed out of proportion to the tax that is imposed upon incomes invested in tax-free securities will be induced to go out of business and make his investment where it cannot be reached by taxation. ... "
2. In an editorial entitled "The Politics of Taxation" The Washington Herald to-day says: "There are just over 500,000 persons in this country who pay tax on incomes of \$6,000 to \$100,000. As the drop is to 3,400 for those with incomes between \$100,000 and \$150,000, it is not hard to guess that pretty much all the 500,000 class snug fairly well down to the \$6,000 line. But those who make returns of \$5,000 and under number millions, while those of the \$200,000 income and upwards class are about 2,000 or under. These figures point the moral of the politics of income taxes and surtaxes, if not the science of taxation and its right relation to economics. It is only the 2,000 who would have to surrender half their surplus to the Government, though a lot more engage in the safety-first recourse of investment in tax-free securities. They might like to be relieved of this need, but all told, they do not number more than a few thousands. The millions are themselves tax-free, or pay a tax so small as to be comparatively harmless. A married man with a \$5,000 income cannot pay over \$120, and quite surely pays but \$100 or less. It is a difficult job to persuade the man of small income, or tax-free income, that it is either unjust, unfair or economically unwise to take half of the income in excess of \$200,000 received by the few of that class. They do not regard this as 'soaking the rich.' They put it on the basis fixed for scientific taxation, that men should pay according to their ability. It is in fact not unfair nor unjust, but it is just as certain that it is economically unwise. ... The wise limit of surtax rate should not be so hard to fix - politics being disregarded. It should stop where there is evident inducement to invest in the lower interest-bearing tax-free securities rather than in business enterprise which will employ labor and pay wages. This is but an example in mathematics. ... "

Section 3.

Department of
Agriculture

"Announcement at Washington that some seventy of the country's stockyards have been or shortly will be included in the list which is to come under the aegis of the Secretary of Agriculture on November 1 by virtue of the terms of the packers and stockyards control act recently becoming law, once more calls the attention of the nation to the public control fetish of the times. Certainly no well informed observer of economic matters expects any great good to come to anyone by reason of the law here referred to. Whether any material harm will result from its provisions time only will tell. Large powers are vested in the Secretary of Agriculture and the effects of the measure therefore depend a great deal upon the moderation and wisdom with which that official and his successors proceed to use their authority. Even a preliminary judgment is not feasible until the regulations for the control of the yards - shortly to be issued by the Department of Agriculture - have been made public. ... Not only is this sort of meddling sure to do more direct harm than good to business generally but it is one of the factors responsible for heavy public expenditures unfortunately continuing." (Jour. of Commerce, Oct. 22.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Oct. 24: After weak opening in grain market there was persistent buying by commission houses and prices advanced. Export demand slow. Milling demand continues fairly good with soft red winter premiums sharply higher. Visible supply wheat 55,687,000 bushels, a decrease of 280,000 bushels for week. Visible supply corn 19,667,000 bushels, an increase of 2,350,000 for week. Chicago December wheat closed at \$1.08; Chicago December corn 48¢. In Chicago cash market: No. 2 red winter wheat \$1.20; No. 2 hard winter wheat \$1.06; No. 2 mixed corn 47¢; No. 3 white oats 31¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 31 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.08 1/2¢; to farmers in Central Kansas for No. 2 hard winter wheat 95¢. Chicago hog market 10 to 15¢ lower, bulk of sales \$7.25 to \$8.25. Beef steers generally good and choice corn fed stock scarce. Medium and good beef steers \$5.85 to \$10.65. Fat sheep and lambs strong to 25¢ higher. Fat lambs \$7.75 to \$9. Potato markets generally steady. Round Whites \$1.95 to \$2 per 100 lbs. sacked f.o.b. New York points; weak at \$1.65 to \$2 at Northern shipping points. Maine Green Mountains firm at shipping points at \$1.56 per 100 lbs. bulk. New York Baldwin Apples A 2 1/2 steady at shipping points at \$6.25 to \$6.50 per bbl. Danish type cabbage \$30 per ton bulk f.o.b. New York points; \$30 to \$35 at Northern points. Butter markets easy, and upward tendency of prices apparently checked. Cheese markets fairly firm. Bulk of wholesale trading still at primary markets. Hay demand equals offerings. Receipts well absorbed. Prices moderately higher. Movement of wheat feeds from head of lake to eastern lake ports good. Spot cotton advanced, closing at 18.53¢ per lb. New York October future also higher at 18.49¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Oct. 24: Average closing price 20 industrials, 71.81, compared with 85.73 corresponding day 1920; average closing price 20 railroad stocks, 72.40 as compared with 83.32. (Wall St. Jour., Oct. 25.)

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Vol. III, no. 22.

Section 1.

October 26, 1921.

Rail Situation The United States Railroad Labor Board October 25 turned to the railroads in its attempt to avert the rail strike scheduled for October 30, suggesting that the roads temporarily postpone seeking further wage reductions because the board's docket was so crowded wage decisions for all classes of employees could not be rendered before July, 1922. The carriers, however, informed the board that they were "powerless to take any other position" than their present one. (Assoc. Press, Oct. 26.)

Labor Board's Wage Decision G. R. Brown says in Washington Post to-day: "The railroads of the United States have been brought to perhaps the most serious crisis in the history of American railways by the compromise of the Government with the brotherhoods and the growing agitation in Congress for unscientific legislation aimed at the stability of the earning powers of the carriers. The brotherhoods having won the strike by yesterday's decision by the Railroad Labor Board against further wage reductions until next midsummer, the railroads are confronted by the necessity of accepting the recently ordered cuts in rates at the hands of the Interstate Commerce Commission without compensatory reductions in wages, or themselves becoming antagonists of the law at a time when they are at the mercy of the Government for the financing of their immediate needs and relief from the payment of the \$500,000,000 of the war-time capital account. Legislation pending before the Senate and backed by the most influential group in Congress threatens further impairment of railroad earnings in the repeal of the guaranty provision of the Esch-Cummins law, under which the Interstate Commerce Commission is directed to fix such rates as to enable the carriers to earn 5½ or 6 per cent."

Tax Legislation The Senate October 25 voted against the Reed amendment proposing retention at the present rates after January 1 next of the excess profits taxes. Continuation of the normal income tax at 4 per cent on the first \$4,000 of income and 8 per cent on all over that sum was agreed to without a record vote. An amendment by Senator Hitchcock was adopted under which interest paid in 1921 and 1922 on indebtedness incurred to purchase or carry tax-exempt securities issued by the United States would not be deductible for purposes of determining net income. Without a record vote the House provision increasing the exemption of heads of families having net income of \$5,000 a year or less to \$2,500 and \$400 each for each dependent was agreed to. (Press, Oct. 26.)

Section 2.

Agricultural
Situation to
be Discussed

Governing officials of the National Board of Farm Organizations will meet in Washington October 31 to discuss the agricultural situation, according to the press of to-day. In addition to discussion of the cooperative movement, the officials are scheduled to deal with: (1) Protests against repeal of the excess-profits tax; (2) Henry Ford offer to buy Muscle Shoals plant; (3) disarmament; (4) extension of the life of the War Finance Corporation; (5) agricultural credits, including proposals to establish cooperative farm banks throughout the country. Secretary Lyman, of the National Board of Farm Organizations, stated that more than \$5,000,000,000 worth of farm products and agricultural supplies are bought and sold annually through farmers' cooperative societies, and that more than 20,000 groups of farmers are cooperating in the sale and purchase of their products and supplies. He said: "The cooperative movement has magnified its turnover more than 400 per cent in the last decade. It is increasing in importance each year. Through cooperative societies farmers are able to sell at greater profit and to buy at a closer margin." He estimated that farmers affiliated with the national board have an annual cooperative turnover of about \$2,000,000,000.

Cooperative
Marketing

The Cooperative Marketing Department of the American Farm Bureau Federation is conducting a national survey of producers' cooperative marketing organizations. That the volume of business being handled at the present time by cooperative organizations of producers will greatly exceed the 1917 figure is evident. "I believe," said J. R. Howard, director of the cooperative marketing department of the American Farm Bureau Federation, "that when farmers know the extent to which cooperative activities have been carried and the benefits which have accrued to producers and consumers alike, a great impetus will be given to our marketing work." (A.F.B.F. Weekly News Letter, Oct. 20)

Federal
Reserve
Rates

Formulation of a general policy regarding rates of discount by Federal Reserve banks "from which there would be no divergence except in unusual or emergency cases" seems desirable, Governor Harding, of the Federal Reserve Board, declared October 25 in an address at the joint conference of the board with Federal Reserve agents and governors of reserve banks. Among the factors to be considered Governor Harding enumerated rates charged by banks to their regular customers, rates for one-name paper bought through note brokers, open market rates on bankers' acceptances, rates on Treasury certificates, general business conditions and the reserve percentage of a Federal Reserve bank, as well as that of the system. (Press, Oct. 26.)

Foreign Trade

"Increasing popularity of United States manufacturers in the tropics is a striking characteristic of world trade developments in recent years. The value of our exports to the tropics, says the Trade Record, published by the National City Bank of New York, jumped from \$350,000,000 in the year before the war to \$1,610,000,000 in the fiscal year just ended. Exports to the tropics in the 1914-21 period increased 350 per cent, while those to the other parts of the world increased 150 per cent in the same period. ... With the application of the farm and road tractors to agriculture and transportation in the

tropical world, where the use of the horse and ox was always limited by climatic conditions, the development of their producing, transporting and therefore buying power seems likely to be extremely rapid in the near future and their demands upon the United States ... should correspondingly increase, especially as we are the world's largest purchasers of their chief products - coffee, sugar, vegetable oils, rubber, hides, fibres and tin." (The Annalist, Oct. 24.)

Fur Trade

"Conditions in the fur trade are much better in England and on the Continent than they are in America," says Nathan Berlin, of New York, who has been studying the market in Europe since his recent arrival in London. Because of rather than in spite of the recent fall in the value of the mark, the German fur trade is in the most advantageous position to-day. German wages in marks are enormous, and the public, deceived as to its actual wealth, is spending money freely, causing furs, among other things, to pass freely from one section of the trade to another. (N. Y. Daily News Record, Oct. 25.)

Hog Surplus Marketing

"Huge corn surpluses such as we have at present have always been followed a year or two later by an over-production of hogs. It is expedient, therefore, that the packers and the United States Bureau of Markets should begin to think at once about ways of getting rid of the hog surplus which we shall have next year. It would seem that the packers might well consider putting on an advertising campaign in Great Britain and France. Great Britain consumes only 35 pounds of pork per capita yearly and France only 27 pounds, whereas we in the United States consume 85 pounds. The British and French should be taught to eat more pork products and they should be taught that they can get more for their money in American pork products than in British or Irish pork products." (Wallaces' Farmer, Oct. 21.)

Live-Stock Financing

A new live-stock loan company was formed October 24, with \$500,000 subscribed capital, \$250,000 to be immediately paid in, at a meeting of live-stock interests, bankers, and other business men in Albuquerque, New Mexico. This company will receive advances from the War Finance Corporation, and is expected to be helpful to the live-stock industry in the New Mexico territory. (W.F.C. press statement, Oct. 25.)

Manitoba Butter

Manitoba has just shipped two 56-pound samples of butter to London to be exhibited at the dairy show of the British Farmers Association, which will be held this month. The Manitoba butter was made by creameries which have won the largest number of prizes in exhibitions in Canada. These creameries are owned by the farmers in the districts and are conducted on the cooperative plan. They were established through financial aid advanced by the federal and provincial governments. (Commercial West, Oct. 22.)

Reindeer for Baffin Land

Seven hundred reindeer have been purchased in Finmark, Norway, and will be shipped to Baffin Land in charge of a number of Laplander herders. The purchase of the reindeer is the first move toward making a dream of Vilhjalmur Stefansson come true. Upon his return from his explorations in the Arctic regions, a few years ago, Stefansson proposed to the Canadian Government a scheme to increase the nation's food supply by establishing herds of reindeer and muskox in the Far North. (Commercial West, Oct. 22.)

Tariff

The American Chamber of Commerce in London has taken its stand in opposition to the American valuation clauses of the proposed new tariff. The conclusions reached by the chamber, in whose deliberations Americans alone vote, are based upon the belief that the American valuation of imports for the purpose of assessing ad valorem duties, must inevitably be a handicap and an obstacle to the freest possible exchange of goods, which is not only in the best interests of both countries, but is essential to the restoration of their mutual prosperity. (N. Y. Commercial, Oct. 25.)

"Truth in
Fabrics"
Idea
Practiced

In anticipation of the universal acceptance of the "truth in fabrics" idea the Oregon City woolen mills are attaching labels to their goods which describe the wool content of the garment. (N. Y. Daily News Record, Oct. 22.)

Waterway
Transportation

Governor Allen of Kansas will urge the claims of the Middle West at a national engineering forum in New York city November 4, when engineers, educators, economists and public officials from many sections of the country will discuss the opening of a trade route from the world's ports to the midlands of North America through the carrying out of the St. Lawrence ship canal and power project. (Press, Oct. 23.)

Wheat in
Australia
Financed

Premier Dooley has announced that arrangements have been made in London to finance the New South Wales wheat pool for the coming season. The Government will pay farmers a cash advance of 3 shillings per bushel on delivery to railways. (Sydney dispatch to press, Oct. 21)

Wool
Industry

The American Farm Bureau Federation has announced that representatives of 15 states will appear November 1 before the Senate Finance Committee on behalf of the wool-growing industry. Director Fawcett of the wool marketing department urges the farmers to get busy in demanding protection equal to that accorded manufacturers. He says in part: "Here is the way the tariff bill will apply to our medium wools of the quarter blood and three-eighths grades which constitute approximately 65 per cent of our production: The 25 per cent clean pound duty would mean a protection of approximately 14 1/2 cents per grease pound. But the joker to the wool grower, in the form of the 35 per cent ad valorem duty limitation, reduces the protection to the wool grower to about 5.3 cents per grease pound and allows the manufacturer the full 14 1/2 cents per pound. We claim this is unjust discrimination." (A.F.B.F. Weekly News Letter, Oct. 20.)

Wool
Prices

Substantially a 5 per cent increase in price on medium-grade wool is noted during the week, with the demand well sustained. It comes particularly from the knitting and sweater mills. The total volume of sales of all grades fell off, but prices remained firm, with an upward tendency along the whole line. Some of the New England plants have so many orders on hand that they have started to operate night shifts. Receipts of wool at Boston this week amount to 2,448,600 pounds of domestic and 434,800 pounds of foreign wool, or twice as much as during the corresponding week a year ago. Shipments out of Boston were 2,008,000 pounds by rail against 1,006,000 pounds the previous week. (Boston dispatch to Philadelphia Ledger, Oct. 21.)

Section 3.

Department of
Agriculture

Western Grain Journal for October 20 says in an editorial: "Sacrificing their Sunday mornings, a group of the members of the Kansas City office of Federal Grain Supervision of the United States Department of Agriculture are conducting a class in the study of the Federal grain standards. This is not a part of the duties of the men who are in the employ of the Department of Agriculture in grain standards work. But they are voluntarily teaching all who come to their classes to grade grain under the Federal standards. ... There is no charge. ... That the grain trade at large will benefit is quite obvious. The Western Grain Journal desires to commend those who are engaged in this fine work. In so doing it voices the sentiments of all in the Southwest who know anything about this voluntary work. The men to whom this commendation is due are W. Cunning, M. Schuler, Lee Gallaher, E. L. Morris and C. B. Wright. Kansas City and the Southwest are fortunate in having such men in the supervision office here. What they are doing voluntarily and without hope of reward in their classes reflects a spirit of service which is a highly gratifying reassurance of conscientious work in appeals, in the issuance of licenses and in other duties assigned them by the Department of Agriculture."

Section 4.

MARKET QUOTATIONS

Farm Products

Oct. 26: Grain futures close fractionally higher. No. 2 Manitoba wheat offered at Buffalo 3 1/4¢ under Chicago December, basis American money. Corn market showed good undertone. Chicago December wheat closed at \$1.08 1/2; December corn 48 1/2¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.20; No. 2 hard winter wheat \$1.07; No. 2 mixed corn 48¢, No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 32 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.10 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market down 15 to 25¢, bulk of sales \$7.15 to \$7.90. Beef steers and butcher cows and heifers mostly 25¢ higher; medium and good beef steers \$6 to \$11. Light and medium weight veal calves \$6.25 to \$11.75. Fat lambs \$8 to \$9.15.

New York potato market steady; Chicago continues to decline; other markets fairly steady. New York Round Whites weaker at shipping points at \$1.95 per 100 lbs. Maine Green Mountains nearly steady at shipping points at \$1.51 to \$1.56 per 100 lbs. New York Baldwin apples A 2 1/2 steady at shipping points at \$6.25 to \$6.50 per bbl.

Butter markets easy. Both Canadian and Danish butter on market at prices slightly lower than domestic. Cheese markets fairly firm. Dealers in primary markets anticipate good demand to continue if quality holds up and prices do not reach too high a point to check buying.

Spot cotton advanced closing at 19.17¢ per lb. New York December future also higher at 19.33¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Oct. 25: Average closing price 20 industrials 71.86, as compared with 83.36 corresponding day 1920; average closing price 20 railroad stocks 72.22, as compared with 85.61. (Wall St. Jour., Oct. 26.)

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Vol. III, no. 23.

Section 1.

October 27, 1921.

Rail Situation After an all day and evening conference at Chicago, October 26, where brotherhood leaders and railroad executives were examined by the Railroad Labor Board in its effort to determine the position of the contesting parties in relation to the threatened strike, the sessions were adjourned sine die last night, with no decision rendered. The unions' leaders as a final answer to questioning told the labor board that nothing but a "satisfactory" settlement could avert the strike. (N. Y. Times, Oct. 27.)

Labor Board The Government will make its final attempt to prevent the
Calls Meeting threatened general railroad strike to-day, when presidents, general chairmen and executive committees of the five train service unions meet at Chicago at a conference reported to have been arranged at the instigation of the United States Railroad Labor Board. (Assoc. Press, Oct. 27.)

Labor Board An editorial in The Washington Post to-day says: "The public
Policy announcement made by the Railroad Labor Board of its intention to continue consideration of the dispute over rules and working conditions and not to take up demands for further wage reductions at this time is merely a statement of the board's policy. The board admits it can not 'shut the door in the face of either carriers or employers,' but it may 'fix the order in which it will take up and consider the numerous matters submitted to it.' Consequently nothing can prevent the railroads from filing at any time a petition for further decreases in wages and the board must accept the petition and grant a hearing. But the cases so filed need not necessarily be heard in the order in which they are docketed. On the contrary, the board as a general proposition may hear and decide them as they see fit. There is in the transportation act, however, a proviso which under certain conditions would make it imperative for the labor board to give precedence to wage questions. ... Thus while the board may in a general way frame its policy and state its intention of postponing action upon a prospective complaint or dispute, yet its course may be largely dictated by emergencies."

Tax Legislation Repeal of the excess profits tax as of next January 1 was made certain October 26 with the adoption by the Senate without a record vote of a provision in the tax revision bill providing only for its collection this calendar year. The provision adopted is a substitute for the excess profits section of the existing law. (Assoc. Press, Oct. 27.)

Tariff Rates Sixteen Republican Senators from western states met October
on Farm Products 26 and agreed on tariff rates on agricultural products to be
 recommended to the Senate Finance Committee when it resumes hear-
ings November 1. (Press, Oct. 27.)

Section 2.

Agricultural
Cooperation

"The one essential to the commercial distribution of the food products of this country is to grant to farmers the right to organize and market cooperatively. This is the Volstead-Capper bill which has passed the House and is pending in the Senate. It is only the city resident, wholly unfamiliar with agriculture as a vocation, who opposes this measure as unsafe. The city dweller lives surrounded by monopolies and what he conceives to be monopolies, and fears others. The greatest waste in this country is in distribution. The largest single element in the cost of foods is distribution. The city dweller as a consumer is the victim of this waste at one end, and the farmer is the victim at the other end. The consumer may organize to buy cooperatively, surely the farmer should not be denied the right to organize to market cooperatively, and until he can do this, both will remain the victims of a distributing system from which there is far more danger of manipulation of food prices, and of near food monopoly than can ever come through cooperative marketing. ... The salvation of agriculture lies along this way. ... The right to market cooperatively, then, would have to be followed by cooperative distribution from the producer to the retailer. It would bring into being not one huge cooperative organization, but a score of them. There would be no lack of competition in marketing, but ultimately there would be and should be a chain of great warehouses for the common use at the chief market centers, of all these organizations. These would receive, hold and ship, but neither buy nor sell. It is useless to oppose this bill. It is as sure to become a law as that this country will continue to progress. It is everlastingly right. It is economically sound and is essential to the right and full development of agriculture."
(Wash. Herald, Oct. 26.)

Chemical
Research

As a result of the recent meeting in New York of the dye and chemical interests, an organization is now in the making, which will be known as the "Synthetic Organic Chemicals Association," which association will cooperate with the Government to encourage research work and develop the chemical industry in the United States. The first meeting of the proposed association will be held at the Washington Hotel, Washington, Friday night, October 28. Secretary Hoover will address the members of the organization and outline a plan of cooperation. (N. Y. Daily News Record, Oct. 26.)

Cotton
in Egypt

It is reported from Alexandria that the Egyptian Government now has under consideration a plan under which it will assume control over all cotton seed used for planting purposes in Egypt. The object of the plan is to develop standard varieties of Egyptian cotton and to preserve them in a state of purity from year to year. As is well known, the tendency of even the best varieties of cotton in Egypt has been to degenerate rapidly and after a comparatively brief period of commercial prestige to disappear entirely from cultivation and from the markets. (The Economic World, Oct. 22.)

Economic
Situation
in England

An article by Arthur Balfour, deputy president, Association of British Chambers of Commerce, on "Self-Imposed Poverty as a Condition Precedent of England's Economic Recovery" is quoted in full in The Economic World for October 22. The article says in part: "The Government, if it is wise, if it wishes to avoid a financial calamity without parallel in the history of mankind, must reduce its expenditure to the very lowest level conceivable. The lower it goes the quicker we shall be on our feet. For we can now keep going only by producing our goods at a price which an impoverished world can pay. The problem is not a subtle one and not in the least elusive. It shouts to us. Look at Russia - out of business. Look at Central Europe - out of business. Millions and millions of the human race out of business, too poor to buy. How can we pay high wages, high taxes and a high price for coal with such a world as this for our customer? ... Labor is beginning to see that 'over-production' is only a synonym for 'too costly production'. That's the whole point. Real over-production, if there is such a thing, means a cheap product - and that is exactly what the starving world wants."

Farm
Financing

The War Finance Corporation has approved the following advances: \$100,000 to a bank in South Carolina on agricultural loans; \$55,000 to a financing institution in Texas on live stock; \$45,000 to a bank in Montana on live stock; \$300,000 to a financial institution financing small farmers in New York State; \$200,000 to a bank in South Dakota on agricultural loans; \$30,000 to a bank in South Dakota on agricultural loans; \$50,000 to a bank in South Dakota on agricultural loans; \$12,000 to a bank in North Dakota on agricultural loans; \$25,000 to a bank in Virginia on agricultural loans; \$9,600 to a bank in Nebraska on agricultural loans. (W.F.C. press statement, Oct. 26.)

Farm Land
and Crops

"A little less than half the total area of the United States is in farms, and only about one quarter of the total area is improved land. It does not follow that there is an unlimited reserve supply of farmland. Most of the billion acres not yet in farms can never be used for the growing of crops, and the rest will require expensive preparation in the way of drainage, clearing or irrigation. A committee of six scientists has been appointed by Secretary Wallace, of the Department of Agriculture, to consider the problem of land utilization, especially with respect to the country's future requirements. In spite of the steadily growing demand for food, it is doubtful if we ought to increase the area of cultivated land during the next few years. The total yield of food crops can be increased at less cost by modifying farm methods, and increasing the acre yield by intensive cultivation and the use of more fertilizers. The persistent clamor of Congressmen for irrigation projects in the mountain states has confused many people. The economic value of better farming to the whole nation ought to receive more consideration." (The American Fertilizer, Oct. 22.)

Foreign
Trade

Exports to Europe during September fell off by about \$31,000,000, as compared with August, while imports increased by approximately \$4,000,000, according to foreign trade figures issued by the Department of Commerce October 26. (Press, Oct. 27.)

International Bank Plan

Frank A. Vanderlip, the New York financier, now in Europe, after surveying the financial and economic situation in nearly every capital in Central Europe and the Balkans, has completed the initial draft of a plan to "organize a gold reserve bank for the United States and Europe." Mr. Vanderlip's plan provides for the establishment of a banking corporation, with \$1,000,000,000 in gold paid-in capital. The corporation is to have branches in every nation, including Germany which wishes to join. Harry Stuart, a Chicago banker, is aiding Mr. Vanderlip. In many respects the proposed bank will resemble the United States Federal Reserve Banking system. (N. Y. Times, Oct. 27.)

Milk Men May Strike

A strike of the 11,000 milk drivers and assistants in the metropolitan district on November 1, when the present contract expires, appeared probable October 26, following a meeting in New York of representatives of the Milk Drivers' Union and the distributors. (Press, Oct. 27.)

Prices

1. The index number of wholesale prices in the United States, compiled by the Federal Reserve Board for the purposes of international comparisons, shows that prices during September remained at the August level of 143, on the basis of prices in 1913. One hundred commodities imported shifted from an index number of 104 during August to 106 during September. The index for prices of exports rose 21 points, from 123 to 144, an increase of 17 per cent. (N. Y. Daily News Record, Oct. 25.)
2. Speaking on the business situation before the convention of the National Association of Commercial Organization Secretaries at New Orleans, October 24, R. B. Beach, president of the association and manager of the Chicago Association of Commerce, declared that according to the price indications the period of economic balance is nearly here. By "balance," he explained that he meant the price level at which the cost of the different commodities would settle. This level, he said, would be higher than the 1914 level. "It does not matter," he said, "where the grouping takes place - whether it be at the level which we called 100 per cent before the war; whether it be at the 150 mark, or at the 200 mark, it is no matter so long as the proper balance is maintained." (N.Y. Daily News Record, Oct. 25.)

Pork Products for England

"Due to the very heavy corn crops the American producer is looking for a broader market which will maintain prices at a profitable level. But, as has recently been pointed out by Edward N. Wentworth, the American in turning to Europe for the broadened market he desires must estimate carefully certain obstacles to be overcome in reaching this market. The one profitable means of marketing the corn is in the form of hogs and pork products. But there is competition from Irish, Danish and Canadian products, and they have advantages we do not possess. The four obstacles to be considered are, first, the exchange situation; second, the difference in British and American market demand; third, the cost of transportation; and fourth, the distance from market as related to the type of cure. ... The fundamental idea to consider in extending the market for American pork products is that hogs are the main means for marketing the American crop. But at the same time it is possible to grow a type of hog which will be more in accordance with the British demand." (The National Provisioner, Oct. 22.)

Section 3.

Department of Agriculture
 In an extensive article on the estimated cotton crop, with the publication of Secretary Wallace's recent statement on cotton ginned to October 18, New York Daily News Record for October 26 says: "Senator Harris, of Georgia, on the floor of the Senate October 25, expressed thanks to the Department of Agriculture and the Bureau of the Census for the compilation of cotton ginning statistics, the figures of which, according to the Senator, will result in the saving of \$1,000,000 to those interested in cotton markets."

2. "Henry C. Wallace, Secretary of Agriculture, who was in Chicago last week on a visit to the Board of Trade, does not think that grain prices must come down to the prewar level, but he is strongly inclined to believe that they could come back to a prewar ratio. He added that the buying power of the farmer is increasing and business is on the upgrade. ..." (Commercial West, Oct. 22.)

Section 4.

MARKET QUOTATIONS

Farm Products
 Oct. 26: Wheat advanced early but declined later with absence of aggressive buying of past few days; Chicago December wheat closing at \$1.07; Chicago December corn 48¢. Export demand very slow. Country offerings corn light, principally on account of reduced freight rates to go into effect November 20. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.18; No. 2 hard winter wheat \$1.05; No. 2 mixed corn 47 1/2¢; No. 3 white oats 31¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 32 1/2¢; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market opened mostly 10 to 15¢ lower but closed firm; bulk of sales \$7.15 to \$7.75. Beef steers and yearlings unevenly 25 to 50¢ higher; medium and good beef steers \$6.25 to \$11.25. Butcher cows and heifers 25¢ higher at \$3.75 to \$9.75. Fat sheep and lambs strong to 25¢ higher; fat lambs \$8 to \$9.40.

Potato markets slightly weaker under heavy supplies. Demand and movement slow. New York Round Whites weaker at \$1.85 to \$1.90 per 100 lbs. Maine Green Mountains \$1.46 to \$1.51 per 100 lbs. bulk. New York Baldwin Apples A 2 1/2 steady at shipping points at \$6.25 to \$6.50 per bbl. Danish type cabbage \$28 per ton bulk f.o.b.

Hay receipts fairly heavy. Minneapolis market becoming overstocked. Prices steady. Feed demand continues slow. Trading light. Market unchanged but firm on wheatfeeds.

Butter markets firm although trading is not active. Cheese markets steady.

Spot cotton lower at 18.84¢ per lb. New York December future also lower at 18.78¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads
 Oct. 26: Average closing price 20 industrials 72.27, as compared with 74.92 corresponding day, 1920; average closing price 20 railroad stocks 71.46, as compared with 82.83. (Wall St. Jour., Oct. 27.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 24.

Section 1.

October 28, 1921.

Rail Situation The rail strike scheduled for October 30 was averted last night, when leaders of the switchmen, trainmen, conductors, engineers and firemen at a joint meeting adopted a resolution withdrawing authorization of a walkout and officials of the railroad telegraphers' organization announced they would take similar action. These were the only unions which had authorized a strike. (Assoc. Press, Oct. 28.)

Tax Bill By votes of 45 to 24 and 45 to 29 proposals to tax the undistributed income of corporations were rejected in the Senate October 27. The amendment of Senator Walsh, of Massachusetts, proposing a graduated tax on corporations instead of a flat tax of 15 per cent, recommended by the Senate Finance Committee, went over until to-day. (Press, Oct. 28.)

Ter Meulen Bond Plan Sir Drummond Drummond-Frazer, organizer of the international credit scheme of the League of Nations, explained the Ter Meulen plan for reestablishing credit and trade relations between prosperous and impoverished countries at a meeting in Washington, October 27. At the conclusion of the address Governor Harding, of the Federal Reserve Board, and D. R. Crissinger, Comptroller of the Currency, expressed approval of the plan, according to the press of to-day. (The full text of the Ter Meulen bond scheme, as outlined by Sir Drummond Drummond-Frazer, appears in The Economic World, Oct. 22.)

Cotton Crop The American Cotton Association's announced forecast of the cotton crop of the United States in 1921 was said to be 6,427,700 bales, by President Wannamaker in his address at the opening session of the annual convention of the association, at Birmingham, Ala., Oct. 27. United States stocks of tenderable carry-over were estimated as of August 1, 1921, at 5,113,491 bales. The estimated consumption, American and Canadian, to August 1, 1922, was placed at 5,500,000 bales, while the estimated demand for exports to the same date was given as 6,500,000, making a total estimated consumption of 12,000,000, or a deficiency in supplies of 458,809 bales. "It is unanimously agreed by economists," Mr. Wannamaker continued, "that it is necessary to have on hand at the close of the cotton year on July 31 at least 3,000,000 bales of American cotton to supply the needs until the cotton from the growing crop can reach the spindles, so that the apparent shortage will be more marked than it appears from figures given." (Press, Oct. 28.)

Section 2.

Cooperative
Marketing

The Washington Farmer for Oct. 20 contains the first of a series of articles on cooperative marketing, by Charles W. Holman, acting secretary of the National Milk Producers' Federation, the largest confederation of cooperative marketing organizations handling a single commodity in the United States. An editorial note regarding the articles states that Mr. Holman has made field investigations in almost every state in the Union and followed his study of cooperation to Great Britain and to Russia. The author says in this initial article: "For fifteen years I have been watching the growth of cooperative movements among the farmers of the United States. I have seen them creep along simultaneously in different sections of this country. I have noted that although the visible form of cooperation may differ the fundamental principles have been present in every successful enterprise." (Mr. Holman's series appears also in The Oregon Farmer and The Idaho Farmer.)

Cooperative
Marketing
Bill

The National Board of Farm Organizations, in its news letter of Oct. 26, refers to the Capper-Volstead cooperative marketing bill as follows: "Recently efforts have been made by certain persons to induce the farm organizations to discard the bill and to substitute in its place another bill designed to permit any or all groups to do business cooperatively. This plan has not received a welcome, either at the hands of the farm organizations or of the Congressional backers of the Capper-Volstead bill. In the first place it is not thought well to 'swap horses in the middle of the stream'; and secondly, the proposed substitute bill has been drawn in a way that would permit meat packers, oil refiners and others to incorporate with shares of stock at figures which would prohibit farmers or others from subscribing thereto..."

Farm Profits

Farmers have \$15,000,000,000 to spend in 1922 and would have had about \$22,000,000,000 if it were not for such things as transportation rates and depression, James O'Shaughnessy, of New York, secretary of the Association of American Advertising Agents, declared in an address before the Agricultural Publishers' Association, at Chicago, Oct. 27. He said: "The farmer isn't 'broke'. His purchasing power is just bound and gagged by business agreeing with him that he is in a sorry plight." (Assoc. Press, Oct. 28.)

Foreign Trade

American business men in Egypt are fighting to retain the trade between America and Egypt which was developed during the war, when the nations of Europe were too busy to attend to their foreign trade. This wartime trade gave American exporters a foothold, but since the war European competition has been resumed. ... War prices for cotton greatly enriched the country, and America benefitted by the increased importations of luxuries, especially of automobiles and by a good business in wheat and flour. ... (Jour. of Commerce, Oct. 26.)

Freight Rates

"The reduction in rail rates on grain, grain products and hay ordered by the Interstate Commerce Commission will be gratefully received by the producers and by the business public. The railroads may need the higher rates, but the actual condition which brought the order, was that the producers must have the reduction. There is a limit in commodity rates beyond which the loss is mutual to railroads and

shippers. The rates on farm products had reached and exceeded that limit so that there was no profit in shipping, and railroads did not get the shipments. With thousands upon thousands of cars idle, hay was uncut and grain held on the farms. The railroads may get a much larger net earning at the lower rate. The commission cites that rates on wheat are 50 to 70 per cent higher than prior to June, 1918; those on corn and coarse grains 80 per cent and on hay 70 per cent higher than at the same date. At the same time the market price of these products has decreased 50 per cent and more. The farmers have been in between the squeeze and faced ruin." (Wash. Herald, Oct. 28.)

Milk
Marketing
in District
of Columbia

Absolute refusal of Washington milk dealers to recognize the Maryland and Virginia Milk Producers Association on any terms was expressed by local distributors yesterday afternoon, at a meeting called by Health Officer Fowler in a last effort to end the war now raging between the farmers and the local dealers. While expressing a desire to cooperate with farmers in the vicinity of Washington as individuals, the conferees felt that the Milk Producers' Association would be wrecked as far as local orders are concerned if its members continued to hold out. (Press, Oct. 28.)

Russian
Flax
Export

A 2000-ton shipment of flax is arriving at Riga, Latvia, from the Russian interior. Germany is taking 700 tons of the shipment, and the remainder goes to France and Belgium. (Berlin dispatch to N. Y. Daily News Record, Oct. 27.)

Taxation

David F. Houston, Secretary of Agriculture, 1913-20; Secretary of the Treasury, 1920-21, is the author of an article on "Taxes - Which and Why" in The World's Work for November. Mr. Houston says of the excess profits tax: "I favor its repeal. The reasons for its repeal should be conclusive, even to those who on social grounds favor such a tax. It does not attain even the object such advocates have in view. The best thing about the Excess Profits Tax is its name. ... This tax should be repealed, but it should be replaced. The corporations should not escape the income taxes while their unincorporated competitors continue to be fully taxed. This would, of course, be an absurd outcome. No one proposes to tax heavily other forms of business and to exempt corporations. It is true that many who appear to be somewhat ignorant of taxation seem in effect to propose this. Even the U. S. Chamber of Commerce seems to have fallen into the error of imagining that this tax might be repealed and something substituted which would yield revenue, but which would not burden corporations. ... This tax can not be repealed and replaced unless corresponding reductions are made in the burdens resting on sole proprietors and partnerships. ... The income taxes on businesses should, and doubtless will, stand, but with modifications. To repeal them would necessitate that we resort again practically exclusively to consumption taxes, which as the basis of a tax system, are unsound. Consumption taxes would operate in favor of the well-to-do and would unduly burden those of moderate and small means. ..."

Wool

Eastern business continues fair in both fine and medium to low wools, and prices are steady, with desirable low grades strong. Pools for grading, storing, financing and marketing are now operating in 21 states. (Commerce and Finance, Oct. 26.)

Section 3.

- Department of 1. National Board of Farm Organizations, in a press statement issue
Agriculture Oct. 26, refers to an address made by Walter F. Brown, chairman of the Congressional Reorganization Commission at a recent meeting of farmers' representatives. The board's statement declares that at this meeting Mr. Brown "stated his belief that the functions of the Department of Agriculture should be confined to those of production. His feeling was that when it came to matters like selling farm products that proper jurisdiction should lie in the Department of Commerce, since marketing involved a matter of transportation. Mr. Brown's conclusion was that activities like the Bureau of Markets should be placed within the jurisdiction of the Department of Commerce." The board's statement declares that considerable objection on the part of farm organizations was registered to Mr. Brown's proposal, "the objection being that to place the marketing of farm products in the Department of Commerce would be to place it in a department which was being administered in connection with many powerful business influences that had been consistent opponents of agricultural cooperation."
2. "Should Oppose Dissection of the U. S. D. A." is the title of a comprehensive article by Gray Silver, Washington representative of the American Farm Bureau Federation, in The Utah Farmer for Oct. 22. Reviewing the work of the commission appointed by the President to reorganize the executive departments of the Government, Mr. Silver says: "Taking a large view of the situation, the ten regular executive departments are not badly organized, and probably enjoying the reputation as most efficient is the Department of Agriculture. I do not mean to imply, however, that there is no 'backlash' in that department and that there is no opportunity for improvement in a shifting of certain lines of work of the Government. At present the country has been thoroughly sold on the idea of reorganization of the executive departments as an important, efficient and economic measure. Undoubtedly great savings can be made. I doubt if there is a single bureau or even division of the Department of Agriculture that should be transferred to any other department. Undoubtedly some changes within the department can be made for its own good, but these are largely administrative matters which the trained mind of Secretary Wallace has under consideration at present and which probably will be made in the very near future. The National Budget Committee of New York, reported to be a 'promotive organization' with more or less close connection with the Government, proposes a Department of Public Works to which would be transferred from the Department of Agriculture, the Bureau of Public Roads, and Forest Service, ... and from other departments establish various units. It would transfer the Weather Bureau from the Department of Agriculture to the Department of Commerce. These proposals seem to be the nucleus about which all discussion revolves as far as the Department of Agriculture is concerned. That a considerable amount of propaganda for more or less concealed purposes has helped to sell the idea has not dawned on the minds of most people other than those behind the scenes. ... Any consideration of the proposal to remove the Bureau of Markets from the Department of Agriculture should include a realization that the problem of production and distribution in agriculture are so closely allied that it is practically impossible to tell when one begins and the other terminates. ... (Cont'd on page 5.)

(Cont'd from page 4.)

Since marketing covers such a wide field it would cripple the service to the public to transfer part of the Bureau of Market functions to another department. I am convinced that the farmers of the country are not going to sit passively by and see the Department of Agriculture destroyed through the scattering of its bureaus among a half a dozen or more departments and thus weaken the Federal activities in the interest of Agriculture and the consumers as well. Any such act, it seems to me, would be political suicide on the part of the Administration and I do not believe that if the problems are fully considered hasty action will be taken along these lines, but where there is so much talk and propaganda favoring these changes, I believe it is no more than just that the farmers be given an opportunity to be heard. They represent 30 to 40 per cent of the people. ... "

Section 4.

MARKET QUOTATIONS

Farm Products

Oct. 27: Uncertainty prevailed in the grain markets and prices fluctuated within a narrow range. Argentine wheat crop estimated at 207,000,000 bushels as compared with 250,000,000 bushels this time last year. Chicago December wheat closed lower at \$1.06 1/2; Chicago December corn lower at 47 1/2¢. In Chicago cash market: No. 2 red winter wheat \$1.19; No. 2 hard winter wheat \$1.05; No. 2 mixed corn 47 1/2¢; No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn around 32¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.08 1/4; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market opened 25¢ higher and closed quiet; bulk of sales \$7.40 to \$8. Prime steers and yearlings mostly steady; others slow and 25¢ lower; medium and good beef steers \$6.10 to \$11.25. Butcher cows and heifers generally steady at \$3.75 to \$9.75. Fat lambs \$8 to \$9.25.

Potato markets slightly weaker under heavy supplies; demand and movement slow. Round whites weaker at \$1.30 to \$1.35 f.o.b. New York shipping points. Maine Green Mountains down 5 to 10¢ at \$1.36 to \$1.46 New York Baldwin Apples A 2 1/2 steady at shipping points at \$6.25 to \$6.50 per bbl. New York Danish type cabbage slightly weaker at \$27 to \$28 per ton bulk.

Hay receipts fairly heavy. Prices steady. Demand good but not active enough in most markets to advance prices. Demand for feeds continues slow. Trading light.

Butter markets firm. There has been some buying ahead in anticipation of railroad strike. Cheese markets steady.

Spot cotton higher at 19.02¢ per lb. New York December future also higher at 19.16¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Rail- roads

Oct. 27: Average closing price 20 industrials 72.78; average closing price 20 railroad stocks 72.20. (Wall St. Jour., Oct. 28.)

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Vol. III, no. 25.

Section 1.

October 29, 1921.

Tax Legislation After rejecting two proposals for a graduated income tax on corporations - each by a margin of a single vote - the Senate adopted yesterday, 36 to 26, the finance committee amendment to the tax revision bill providing for a flat 15 per cent tax. Proponents of a graduated levy, or of some other plan that would prevent the proposed increase of 50 per cent in the tax of thousands of corporations making small profits, gave notice they would renew their fight later. (Assoc. Press, Oct. 29.)

Farm Loan Bills Long-term personal credits for agriculturists and live-stock growers were proposed in identical bills introduced October 28 in the Senate by Senator Capper, and in the House by Representative Strong, of Kansas. One of the bills would provide for use of half of the Treasury surplus of about \$213,000,000 earned by the Federal Reserve System as a revolving fund for the purchase of farmers' and live stock growers' notes. The other would authorize the Federal Farm Loan Board to purchase and market the notes, to be taken from the Federal farm land banks in the form of debentures. (Press, Oct. 29.)

Metric System Urged Before the Senate Manufacturers Committee, October 28, officials of the Bureau of Standards and representatives of chemistry associations urged the adoption of the metric system of weights and measures. (Press, Oct. 29.)

Rail Situation Railroad heads declared at Chicago, October 28, that the nation's carriers would go right ahead with their plans to seek new wage cuts through Railroad Labor Board hearings despite the announcement from the unions that their action in calling off the strike scheduled for October 30 had been influenced by the board's announcement that pay reduction petitions for any class would not be considered until working conditions for that class had been settled. "The calling off of the strike will have no effect on the plans announced by the carriers October 14 to seek immediate wage reductions so that rates could be reduced," said Samuel Felton, president of the Chicago Great Western and chairman of the Association of Western Railroad Executives. (Assoc. Press, Oct. 29.)

The Strike Recall In an editorial entitled "Postponed!" The Philadelphia Public Ledger to-day says: "Three things suspended the strike, or ended it, if you wish to regard the Chicago action through a rose mist of optimism. Of these three, the greatest was public opinion, and no mistake should be made about that. ... Washington, backed powerfully by public opinion, was the second strong

factor. Washington was ready to strike, and strike to hurt. The power of injunction, that arrogant unions fear with reason and hate with unction, would have crumpled the strike's beginnings. ... The Administration was ready to move powerfully, drastically and with determination, and the strikers knew it. Jealously among the brotherhoods themselves was a final and contributing stroke. Public and Government against them, with ten of the eleven standard unions refusing to buck the stone wall and their own strength crumbling; inter-union jealousies, grievances and suspicions broke that iron determination of the brotherhoods to 'go through' with it no matter what the cost to roads, workers and public. ... The calling off of the strike settles nothing unless it be the one point that the workers have now accepted the wage cut of July 1. Those wage cuts that must come before or simultaneously with reductions in freight and passenger rates remain to be considered."

Strike

Avoidance

"Averted but not Settled" is the title of an editorial in to-day's Wall Street Journal, which says in part: "Essentially the strike has been averted by a temporary political arrangement, at the expense of the carriers and the public which pays the freight. The one controlling issue, whether railroad employees should or should not submit their interests in wage disputes to determination by a Government-created tribunal is as far from settlement as ever. That the carriers must submit their destinies to such bodies, not only as respects the wages they pay but the charges they collect, was not even in question. It was long ago decided that they must, and they do. Perhaps one crumb of comfort fell from the Chicago conference table. No one not present there knows just what passed between the Labor Board and the brotherhood chiefs at the final conference. But it is a safe inference that the strike was averted less by inducements offered by the board than by the grim fact that the brotherhoods had the whole country against them. ... The 'settlement' has done nothing to ease the already great pressure upon the carriers and the Commerce Commission for lower freight rates. The realization that these cannot safely be made without reducing labor cost is rapidly spreading.' ... It would, then, be a misnomer to call this avoidance of a railroad strike a settlement. It may furnish Congress with the text for amendment of the labor provisions of the Transportation Act, but in itself it leaves unsettled every major question involved."

Section 2.

Agricultural
Demand

"The increased activity of manufacturing revealed by statistics is warranted by the steady growth of demand in the agricultural regions. Crops are now moving actively and satisfactorily to market and while the production of cotton has been low the advance in price has in some degree made up for it. Both banks and merchants are now feeling in a definite way the helpful influence of the higher prices which have been established as the result of the relative shortage of the crop. While the northwestern farmer has not been satisfied with the price obtained for his wheat, and while the working of the legislation passed by Congress and directed against speculative dealing is far from having been what was expected, the return to the farmer has been sufficient to enable him to develop a decidedly increasing demand for consumable goods. The immediate result of the presence of the larger purchasing power in his hands has been an expanding demand on the part of retailers." (Magazine of Wall Street, Oct. 29.)

Business
Situation

In its monthly "Money and Markets" review, the November issue of Commerce Monthly, published by the National Bank of Commerce, New York says: "Autumn buying is reflected in an improved retail dry-goods trade. It is noteworthy that this betterment is more marked in rural districts than in industrial centers. This is clearly the result of marketing the cotton and grain crops at fairly satisfactory prices, and affords grounds for confidence that the extreme depression in the agricultural industry of the United States has definitely passed. Wholesale prices of a number of raw materials have advanced since September 15, while the markets in several lines have been somewhat more active."

Cooperative
Marketing
of Cotton

"Completion of the organized cooperative marketing system in the South seems the dominant note of the American Cotton Association's annual convention in its early stages. Stress has been laid on the continuance of regulation of production within the limits of the legitimate demands of consumption and crop diversification as a step to cash money the year around. The association appears to believe these two latter features of the problem are fairly well in hand. Intense interest is aroused whenever there is mention of organized cooperative marketing. The association has just succeeded in putting through the Alabama Senate a bill allowing incorporation of farmers' associations. This state and Georgia were the only ones left in the South in which this could not be done." (Birmingham, Ala., dispatch to Jour. of Commerce, Oct. 28.)

Cotton

An editorial in to-day's Wall Street Journal entitled "A Hopeful Fight" says in part: "As cotton production is the principal industry of the South, and the insect now covers the whole producing region, there is no exaggeration in saying that the weevil presents one of our greatest economic problems. The invasion calls for a prompt and vigorous defense. Leading men of the South recognize the fact that there is danger of small farmers yielding to panic and leaving the land, or perhaps being stampeded into devoting their whole time and resources to new and untried crops. Reasonable diversification will be necessary, and is desirable. Indeed one great assurance of the South to-day is the fact that this year it raised unusual crops of food and feed-stuffs. But cotton must always be the great surplus crop of the South, raised on a smaller acreage with a larger yield per acre. This means that the southern farmers must adopt toward the weevil the slogan of the soldiers in France - 'Treat 'em rough!' There is much that can be done now. ... Dr. W. D. Hunter, of the U. S. Bureau of Entomology, is authority for the statement that even after killing frosts weevils are active. ... This statement should be sufficient to send the farmers through every cotton field to destroy every vestige of weevil food. ... That there will be weevils next year is certain; but by destroying their food and shelter now the numbers can be materially lessened. ... A concerted and determined effort should be put forth to meet it without delay."

Economic Plight
of Central
Europe

"One of the results of the attempt to reseal a Hapsburg on the throne of Hungary may be an improvement in the prospects for the economic reconstruction of Europe." (Jour. of Commerce, Oct. 28.)

Prices

In an editorial on "Price Readjustment," based upon Department Bulletin No. 999, The Nebraska Farmer for Oct. 29 says: "Since Bulletin No. 999 was issued there has been a very decided decline in the prices of many staple agricultural products, and relatively little decline in prices of the things for which farm products must be exchanged. This, we think, is one of the principal contributing factors to the present business depression. Exchange values must be equalized before there can be a resumption of business along normal lines, for as this bulletin says: 'It is physically impossible for farmers to absorb the products of factories, and this has been a contributing cause of unemployment.'"

Russian
Communism

New York Commercial for October 25 says in an editorial: "Slowly, but surely, the fantastic theories of government now prevailing in Russia are giving way to the inexorable working of economic law. Communism is crumbling. Lenine admits it, not phrased exactly in those words, but near enough to confirm the fact. He says that they must face the fact, that they are reestablishing capitalism and also the question whether the peasants will follow the capitalists or communists. He insists that the present return to capitalism is not the reestablishing of private ownership, but of personal communistic interests, and he advises his followers to 'go into business, work with the capitalist by your side, both Russian and foreign, who will get 100 per cent out of you. ...' In this there is a confession of the failure of his theories, a realization that capital is an essential. His advice to go into business on the basis named is just as impracticable as all his other theories, for they will not be able to enlist the aid of capital if it is merely a question of luring capital into position for an indirect attack. Private ownership is bound to come in Russia, just as surely as it sprang into being in the early ages of man's development. It is necessary to his continued development. ..."

Tariff

1. "Giving out for publication the names of leading American citizens who for themselves or their organizations were opposed to the American valuation plan, the National Council of Importers and Traders October 28 branded as untrue Representative Fordney's statement that opponents of the plan were 'un-American and deceitful.' "
(Jour. of Commerce, Oct. 28.)
2. "Canadian Trade as an Example" is the title of an editorial in The Journal of Commerce for Oct. 26, which says in part: "Viewed in a broad way, we have an excellent example of the fallacy of tariff restrictions. Canada and the United States are both apparently, for the time being at least, determined to force themselves respectively to do without the products of the other in considerable degree, and indirectly to forego the advantages of selling each in the other's markets. Since the benefit to be derived by both from a flourishing interchange of goods is great, both will inevitably suffer from mistaken tariff policies. What is true of Canada and the United States holds just as truly among the nations of the world generally. ..."

Section 3.

Department of
Agriculture

"The Department of Agriculture has organized a bureau for the enforcement of the so-called Packers' Act, this Bureau being officially styled 'Packers' and Stockyards Administration,' to be under the supervision of Chester Morrill. About 70 stockyards will come under the supervision of Mr. Morrill. At present the Bureau is collecting information to enable it to designate the companies that will come under the jurisdiction of the Department. Most people supposed that the Government was not interested in any packers except the Big Four, but like all these laws to control one or two individuals, or in this case the much hounded Big Four, stock yards and packing industries of the country generally come under the ban of its nonsense. Secretary Wallace has announced that tentative regulations for the control of the stock yards, based on the law, will soon be issued and that hearings on proposed modifications will be held by Chester Morrill during the two weeks beginning Nov. 7 at Fort Worth, Tex., Kansas City, Denver, Portland and Chicago. ... Fifty-four stock yards throughout the country have already been brought under Federal supervision by order of Secretary Wallace and at least 16 other yards will be added as their status is defined." (Price Current-Grain Reporter, Oct. 26.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Oct. 28: Settlement of railroad strike was an important factor in grain market but the effect was about neutralized by reports of dullness in flour trade and report that consumers and distributors had stocked up in anticipation of strike. Corn had light trade influenced by wheat. Chicago December wheat higher at \$1.08 1/2; December corn higher at 48 5/8¢. In Chicago cash market: No. 2 red winter wheat \$1.21; No. 2 hard winter wheat \$1.07; No. 2 mixed corn 48¢; No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 32 1/2¢; to farmers in Central North Dakota for No. 1 dark Northern wheat \$1.05 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market closed 25¢ lower; bulk of sales \$7.15 to \$7.35. Choice beef steers scarce and steady to 25¢ lower; medium and good beef steers \$5.25 to \$11.25. Butcher cows and heifers weak to 25¢ lower at \$3.65 to \$9.75. Fat lambs steady to 25¢ higher at \$8 to \$9.40.

Most potato markets slow and dull; prices lower. New York Round Whites firm at shipping points at \$1.85 per 100 lbs. sacked. Maine Green Mountains down 5¢ at \$1.36 to \$1.40 bulk per 100 lbs. New York Baldwin apples A 2 1/2 steady at shipping points at \$6.25 to \$6.50 per bbl. Danish type cabbage \$25 to \$28 per ton bulk, f.o.b.

Butter markets firm. Cheese markets steady.

Most hay markets dull; demand very moderate; trade appears well supplied. Mill feed market inactive. Linseed and cottonseed meal prices firm on improved export inquiry.

Spot cotton lower at 18.99¢ per lb. New York December future also lower at 19.03¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Oct. 28: Average closing price 20 industrials 73.80, as compared with 85.08 corresponding day 1920; average closing price 20 railroad stocks 72.94, as compared with 82.57. (Wall St. Jour., Oct. 29.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 26.

Section 1.

October 31, 1921.

Tax Legislation Income tax returns made to the Treasury by corporations or individuals would be open to inspection at the request of either house of Congress under an amendment to the tax revision bill proposed October 29 by Senator Reed and agreed to without a record vote. (Press, Oct. 30.)

Tariff Legislation Hearings on the permanent tariff bill will be reopened by the Senate Finance Committee November 1 irrespective of whether the tax revision bill has been passed by the Senate, Chairman Penrose announced Oct. 29. The wool schedule will be taken up first and twoscore witnesses will be heard on it. The live-stock and agricultural schedules then will be considered. Hearings on the remaining schedules are expected to consume a month or more, Senator Penrose said, adding that there were 400 requests for hearings now before the committee. He stated that there had been no requests for further hearings on the American valuation plan and that the experts gathering data as to the working of this plan had informed the committee that they would be ready soon to present reports. (Press, Oct. 30.)

Farm Bonds The \$60,000,000 offering of Federal Farm Loan bonds made on October 3 has been entirely sold out, according to an announcement made by Commissioner Lobdell October 29. The offering made a total of \$100,000,000 of such bonds absorbed by the investing public in the past six months, Mr. Lobdell said, and the receipts from the last issue provide the Federal Farm Loan board with funds sufficient to loan up to its physical capacity for several months. (Press, Oct. 30.)

Rail Situation The United States Railroad Labor Board October 29, in effect, forbade railroad union labor from striking without the board's permission, and declared that all strikers who violated the order would be classed as "outlaws who had voluntarily removed themselves from the protection of the transportation act." This was the board's final statement on the railroad strike which was to have been called October 30 by the "Big Four" brotherhoods and the switchmen's union. (Assoc. Press, Oct. 30.)

Railroad Labor Board "One result of the railroad strike, which did not strike, will, it seems, be a revision of the law which provides for the Railroad Labor Board. This should result and two suggestions said to be under consideration should be adopted. The board should not be a tri-party body. Most of its mistakes are probably due to this feature of its personnel.

There is no more reason for the employers and employees being represented in what is a court to hear and decide as to their differences, than that the plaintiffs and defendants should be similarly represented in our civil courts. The board, also, should be an integral part of the Interstate Commerce Commission. The same organization which fixes income, should regulate this large element of cost. If the commission is to consider the cost of operation in regulating transportation rates, it clearly should control the labor wage. As it is, the commission might lower rates at the same time the board raised labor costs, or vice versa. In so far as costs of operation and income from operation are placed under government control, this certainly should be the duty of a single body. But another suggestion should be rejected. It is proposed to put 'teeth' into the act by giving authority to enforce obedience of decisions in wage disputes. The only authority the board needs is to hear evidence under oath, to summons witnesses and to compel the production of books and records. The enforcement of decisions can safely be left to public opinion. ... No compulsion should be undertaken. Injunction should not be attempted; it should stop this side of purely labor disputes. This present case is sufficient evidence that the labor board does not need any such authority and should not have it." (Wash. Herald, Oct. 31)

Section 2.

Cotton

1. A lengthy New Orleans dispatch of Oct. 30 to New York Times of to-day, entitled "Dispute over Size of the Cotton Crop," says in part: "The Census 'ginning report' of last Tuesday with its showing of a wholly unprecedented percentage of the estimated cotton crop prepared for market up to Oct. 18, has started active controversy as to whether the Agricultural Department's estimate of Oct. 3 of 6,537,000 bales for the total yield was or was not a large under estimate. For more than a week prior to the issue of the Census Bureau report the cotton market had been experiencing a feeling of depression, due to a fear that the Government would show total ginnings up to that date on about 5,700,000 bales. That was the estimated ~~total~~ issued by the National Ginners' Association, a bureau that has hitherto achieved rather wide reputation for the nearness of its estimates to the official figures. Apprehension was increased by the fact that the National Ginners' Association reported that ginning to Oct. 18 would average 74 per cent of the total ginnings for the season. If the National Ginners were correct, it was evident that the crop had been underestimated. On this assumption, cotton prices were forced down steadily from the high levels reported about the time of the Government estimate of 6,537,000 bales. ... While the consensus of opinion still prevails that the crop probably will not turn out larger than the Government estimate of Oct. 3, many conservative cotton houses are prepared to admit that owing to exceptionally fine weather for six weeks past and reliable reports that the crop is turning out better than expected in Northwest Texas and in the northern portion of both Carolinas, the final yield may exceed the indicated production by the Government by a few hundred thousand bales. ... "
2. Two former United States Senators, B. H. Comer, of Alabama, and Hoke Smith, of Georgia, were among the apostles of acreage control, crop diversification and cooperative marketing, addressing the American Cotton Association convention at Birmingham, Ala., Oct. 28. This convention is different from many former ones, in that the bankers, merchants, producers, factories and economists present apparently feel

that the South has made a real start, and that with a stiff adherence to the campaign of 1921, which resulted in an acreage reduction of 28.4 per cent, the South will in five years, as stated by Mr. Comer, have the most prosperous farmers in the world. ... His slogan was thus stated: "Economy, diversification, wise marketing." ... Former Senator Hoke Smith said: "We want no carryover of cotton. But the Government cannot prevent a carryover. The Government can help, but the work must be done by you. We must stop raising more cotton than the world can consume. If we had raised 14,000,000 bales this year, we would not have gotten as much money as we are getting for our 6,000,000 bales." (N. Y. Commercial, Oct. 29.)

Emergency Transportation

Plan of organization and operation of a Federal emergency organization for the movement of necessities in case of a railroad strike was announced October 30 by the Secretary of Commerce, who is named as chairman of the emergency organization. Under the plan outlined by Secretary Hoover the country would be divided into ten regions, each centering at an important rail center, corresponding in some respects to the regional districts set up during federal control of the railroads. The central organization in Washington would have as its primary object the handling of interstate and interregional problems; all other questions being left to the initiative of the local organizations. Foodstuffs, feed, coal and gasoline comprise the first list of commodities classed as necessities. The emergency organization, it was understood, would remain intact even if there were no rail strike for some time. (Press, Oct. 30.)

Farm Financing

The War Finance Corporation Oct. 29 announced the approval of an advance of \$75,000 to a North Carolina Bank for agricultural purposes. (W. F. C. press statement, Oct. 29.)

Federal Reserve Report

In its monthly review of credit and business conditions in the Second Federal Reserve district, the Federal Reserve Bank of New York states that "the changes in the aspect of several of the more important branches of business activity are reflected in credit conditions. Interest rates have returned to about the same levels as in many months of 1918 and 1919; acceptances are offered at 4 1/2 per cent, as against 4 3/4 a month ago; commercial paper has tended toward a 5 1/2 per cent level from 6 per cent, and Treasury certificates are selling in an active market at increasing premiums, and yield approximately 4 to 4 3/8 per cent, as against 4 5/8 per cent a month ago. ... This decline in interest rates, which has been progressive in recent months, has taken place at a season when the demand for funds to move crops formerly caused rates to rise. Since the establishment of the Federal Reserve system no such seasonal movement of interest rates has manifested itself, and while crop moving demands have been present this year as heretofore, the elasticity of the system, together with the funds released through liquidation, has more than taken care thus far of the season's requirements." (Press, Oct. 31.)

Federal Reserve System Criticized

William C. Durant of General Motors Corporation is quoted in The Magazine of Wall Street for Oct. 29 as saying, in reply to the question, "What is the matter with business, and what is the remedy?": "There are many contributory causes, but the trouble, and we are in

real trouble, is largely financial. Regardless of reports to the contrary, and cheering articles appearing regularly in print, business is not good. The bankers of the country have for months past been in a 'state of mind,' the attitude of the Federal Reserve Bank, with respect to discount rates and extension of credits, being very largely responsible for it. ... We cannot hope for better times until money for legitimate business, not speculative purposes, can be obtained at reasonable rates, and credit, where properly safeguarded, is available in generous measure. The Federal Reserve Bank at this critical time should encourage, rather than discourage, the extension of credit and should reduce its discount rate to 3 per cent. Quick, decisive, courageous action on the part of the Federal Reserve Bank would, in my opinion, very materially improve the situation, would hearten our business men and set in motion the wheels of commerce and industry."

North Dakota Politics

"The measures to revise the State Government have been passed at the State-wide recall election, which repudiated the Non-Partisan League and now the future opens with what the people believe are bright prospects. They feel that they are through with socialists and radical rule. Returns collected at Fargo last night from all except 240 precincts of 2,036 in the state gave the following vote on Governor: R. A. Nestos, Independent, 106,148; L. J. Frazier, Non-Partisan, 96,866." (Fargo, N.D., Oct. 30, dispatch to N. Y. Times, Oct. 31.)

Russian Soviet Politics

"Radical change in the attitude of the United States toward the soviet government of Russia is not to be expected as the result of the soviet's latest proposal to recognize the debts of old Russia in return for recognition of the Lenine government by the allied and associated powers. Although official comment upon the proposal, which has reached Washington only in the form of press dispatches, was lacking Oct. 30, this government's position, it is understood, has not deviated from that set forth by Secretary Hughes when the question of trade with Russia was under consideration. It will be remembered Mr. Hughes asserted that the United States could have no dealing ^{with} or afford no recognition to a government, no matter how de facto it might be, that failed to recognize property rights or the rights of individuals." (Wash. Post, Oct. 31.)

Section 3.

Department of Agriculture

"The grain dealers and supply distributors are not the only objectors to the unlawful activity of the county agents who take part in farmers' commercial affairs. The Department of Agriculture has habitually closed its eyes to this extra work of the county agent, if it has not indeed encouraged it directly, though necessarily it must interfere with the agent's designated duty as an instructor and demonstrator of agricultural technique. By reason of that attitude of the Department the farm bureaus have succeeded in directing most of the agents' time from their legitimate work to the illegitimate one of acting as organizing agents of the farm bureaus' commercial schemes. It is to this last that the Iowa Farmers' Educational and Cooperative Union on Sept. 26 objected, saying that the 'county agents are paid out of the public funds.' ..." (Price Current-Grain Reporter, Oct. 26.)

Section 4.

MARKET QUOTATIONS

Farm Products

For the week ended October 29 the grain markets had a firmer undertone and Chicago December wheat advanced $2\frac{1}{2}\text{¢}$ closing at $\$1.08\frac{1}{4}$; Chicago December corn up $1\frac{1}{2}\text{¢}$ closing at $48\frac{1}{4}\text{¢}$. Estimated that entire wheat surplus east of Rocky Mountains has already been exported and that further shipments will be at expense of reserves. Minneapolis December wheat closed at $\$1.22$; Kansas City December wheat $\$1.00\frac{3}{8}$.

Butter markets easy early in week but gained firmness later. Closing prices higher than a week ago. Cheese markets steady.

Hay markets dull; demand very moderate; buyers apparently well supplied. Feed trade manifests less eagerness to buy. Cottonseed cake and meal firm. Linseed meal in better request. Alfalfa meal dull.

Spot cotton advanced 35 points, closing at 18.77¢ per lb. New York December future up 44 points at 18.74¢ .

Chicago hog prices declined 15 to 70¢ per 100 lbs. light weights closing most. Beef steers generally 25 to 50¢ higher, better grades showing most strength. Feeder steers up 15 to 40¢ per 100. Fat lambs and yearlings up generally 50¢ .

Potato prices declined slightly; demand and movement very slow in production sections. New York sacked Round Whites lost 30¢ in city markets at $\$2$ to $\$2.15$. Northern Round Whites down 10 to 20¢ in Chicago and Cincinnati at $\$1.65$ to $\$2.25$; cabbage markets slow and dull; demand limited; prices nearly steady. Onion markets well supplied; demand and movement slow to moderate; prices continue steady to firm. Apple markets continue steady under moderate demand and liberal supplies.

October 29: Wheat had firm undertone but advance was lost through selling by commission houses and week end evening up. Chicago December wheat lower at $\$1.08\frac{1}{4}$; Chicago December corn lower at $48\frac{1}{4}\text{¢}$. In Chicago cash market: No. 2 red winter wheat $\$1.21$; No. 2 hard winter wheat $\$1.07$; No. 2 mixed corn 48¢ ; No. 3 white oats 31¢ . Average price to farmers in Central North Dakota for No. 1 dark northern wheat $\$1.08\frac{1}{4}$; to farmers in Central Kansas for No. 2 hard winter wheat 93¢ ; to farmers in Central Iowa for No. 2 mixed corn about 33¢ .

Chicago hog market active but prices lower; bulk of sales $\$7.25$ to $\$7.65$. Cattle, sheep and lambs practically unchanged. Medium and good beef steers $\$5.65$ to $\$11.25$; butcher cows and heifers $\$3.65$ to $\$9.75$; fat lambs $\$8$ to $\$9.40$.

Potato markets slow and steady under heavy supplies. New York Round Whites steady at shipping points at $\$1.85$ per 100-lbs. sacked. Maine Green Mountains steady at shipping points at $\$1.36$ to $\$1.41$. New York Baldwin Apples A $2\frac{1}{2}$ steady at shipping points at $\$6.25$ to $\$6.50$ per bbl. New York Danish type cabbage weaker at shipping points at $\$27$ per ton bulk.

Spot cotton lower at 18.77¢ per lb. New York December future also lower at 18.74¢ . (Prepared by Bur. of Mkts. & Crop Est.)

Industrials
and
Railroads

October 29: Average closing price 20 industrials 73.93, as compared with 84.95 corresponding day 1920; average closing price 20 railroad stocks 72.80, as compared with 82.62. (Wall St. Jour., Oct. 31)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Vol. III, no. 27.

Section 1.

November 1, 1921.

Tax Legislation The Senate October 31 took up consideration of the revenue bill and reached an agreement on the capital stock provision. The solution was found in an amendment offered by Senator Lenroot, which provided that the tax on capital stock shall be \$1 on every \$1,000 up to \$3,000,000, and \$2 on every \$1,000 in excess of \$3,000,000, the tax to be cumulative. Previous to this action an amendment providing for a graduated capital stock tax which would have imposed a much heavier burden on large corporations was proposed by Senator Reed and defeated. (Press, Nov. 1.)

Tax Exemptions The Senate October 31 adopted an amendment under which corporations operating in the Philippines and Porto Rico would be exempted from the income tax on that portion of their business done in the islands, but would be required to pay if earnings were returned to the United States and distributed to stockholders or transferred to the home company. (Press, Nov. 1.)

Tariff Legislation The Senate Finance Committee October 31 postponed until November 3 hearings set for to-day on the agriculture schedule of the tariff bill, but will meet to-day to consider and report the resolution extending the emergency tariff act until February 1. (Press, Nov. 1.)

Tariff on Agriculture In an editorial on "Making Tariff", The Washington Herald to-day says in part: "The New York Times is greatly disturbed because, as it says, 'The agricultural bloc is now preparing a permanent tariff schedule in its own behalf.' ... The Herald does not agree with the agricultural bloc as to the schedule for farm products rates so far as they have been tentatively announced. We fail to see a benefit to the farmers in unreasonably higher duties on farm products, but quite the contrary, believe the interests of agriculture, whose market is so largely overseas, is best served by uniformly low schedules. Yet we fail to appreciate the point of view of the Times, or where the industrial East has any room for complaint, if the producing West and South organizes in its own behalf. Ever since there has been a protective tariff, the schedules have been written by the industrial East. If there is any change of intention or practice now it is only because of differences between the industrial East and the financial East. If the present movement by the West and South is so awful, it is but a leaf out of the book of the East. Nor is there any indication to date, that all the special interests affected by the tariff will not have a large influence in the framing of schedules. ... Moreover, the West and South, which are agricultural, have been trained for long years by the industrial protectionists in the school of preserving the domestic

markets. ... The West has gone to school to this economic philosophy for near a century. If it has mislearned the lesson which does not now fit the new economic relations of this country, at least it has been an apt pupil, and the East should not throw stones. There is good argument against excessive food schedule rates, as there is against all excessive tariffs for the world's great creditor nation. This may be quite convincing as to products which must so largely find foreign markets among people who must sell or they cannot buy, or even pay interests to reduce American taxes and support American purchasing power. ..."

Section 2.

Business Situation

1. Stimulated activity in important industries, resulting from rapid marketing of agricultural products during October, made noticeable the beginnings of improvement throughout the country, the Federal Reserve Board declared Oct. 31 in its monthly review of general business and financial conditions. Higher prices realized by farmers for tobacco and cotton and heavy sales of cereals abroad, the review asserted, has brought them into the market for purchases of seasonable goods, with a corresponding benefit to trade in the producing regions. Prices have apparently attained a substantial degree of stability, the review stated, adding that prices in general were in better relation to one another than at any time during the last eighteen months. (Press, Nov. 1.)
2. Reestablished confidence and improvement in agricultural and live-stock conditions in the West have come about in the last few weeks, Eugene Meyer, Jr., Managing Director of the War Finance Corporation, said Oct. 31, upon his return from a series of conferences in Chicago. Mr. Meyer and Director Cooksey met with representatives of the corporation's loan agencies in Iowa, Nebraska, Wyoming, Minnesota, North and South Dakota, Wisconsin, Michigan, Ohio and Illinois, and with representatives of State banking associations of those States. Mr. Meyer declared that the "remarkable improvement" in the live-stock situation in the last few weeks would continue and that the encouragement given by the corporation's efforts had stimulated the formation of a considerable number of new live-stock loan companies. Among those recently formed, he added, were included institutions with capitalizations of from \$500,000 to \$1,500,000, in Arizona, Oklahoma, New Mexico, Kansas and Arkansas. Greatly improved market conditions for both sheep and cattle were noted, he said, as well as increases in the shipment of cattle to farms for fattening. (Press, Nov. 1.)
3. The Washington Herald to-day publishes telegraphic messages from a group of leading bankers in different sections of the United States, in response to a list of questions sent them. The consensus of opinion of various bankers was that business was distinctly improving, but that no pronounced rapid improvement was to be expected at once. Liquidation was near at an end, it was agreed, and the credit situation was approaching normal save in some agricultural sections.
4. An address by Sir Peter Rylands, president of the Federation of British Industries, recently delivered in Glasgow, Scotland, is reported in The Journal of Commerce, Oct. 29. This report says in part: "It was generally agreed that the foundation of a period of good trade

was good harvests throughout the world, thereby increasing the purchasing power of the agricultural countries, and when he referred to agriculture he included cotton, wool and all those raw products which to such a large extent formed the basis of our necessities of life. If we reviewed the position of the world we found that every market was disorganized and that something was wrong with the crop condition. Russia, one of the great graneries of the world, had during the last few years produced nothing toward the supply of the vast requirements of the world, and the most important consequence of that was that the Russian people ceased to be buyers of the things which manufacturing countries had to sell. Within the last few months he had sent representatives to Australia and to Africa, and in both places they found there were enormous stocks of wool incapable of being realized, and the result was there were no resources with which to pay for imports. ... In the case of cotton there had been good harvests during the last year or two, but owing to the depressed condition of trade there were stocks in the world equal in volume to a bumper harvest. The consequence was that cotton growers also had been unable to realize their harvests and were not consumers of manufactures. ..."

Civil Service Representative Lehlbach, chairman of the committee on reform in
Classification the civil service, October 31 reintroduced in the House the bill for
classification of civilian positions in the Federal Government in
the District of Columbia and in the field services. (Press, Nov. 1.)

Cotton " The American Cotton Association practically completed its program Oct. 28 by adopting the organized cooperative system now successfully working in five southern states. The Federal Reserve System came in for more criticism on account of high discount rates, but not otherwise. ... The following resolutions were adopted by the association by unanimous vote: ... That the Interstate Commerce Commission establish freight rates based on the cubic content of cotton bales; that the association urge the Federal Reserve Board, the Administration and Congress to establish a rate of interest not exceeding $3\frac{1}{2}$ per cent on Liberty bonds and not exceeding 4 to $4\frac{1}{2}$ per cent on commercial loans; that the present high railroad rates being extremely inimical to farm prosperity, the various state railroad commissions and the Interstate Commerce Commission act jointly in bringing about reductions; that additional appropriations be made to census and crop-reporting bureaus; that the Secretary of Agriculture be required to report in February the amount of the previous year's cotton production, an estimate of the next six months' consumption and an estimate of the carryover that will remain at the end of the season, together with statistical information dealing with European consumption and demand; also that experts in Manchester and Liverpool and one in Continental Europe be employed to gather the foreign cotton data; that ginners be requested to withhold reports from agents other than the authorized and official ones; that the Federal Reserve Board membership be increased to 12 and that the agricultural interests of the country be represented. ..." (Jour. of Commerce, Oct. 31.)

Finance 1. "The comfortable position of the banks and the uncomfortable conditions of trade and industry make one of the most striking and singular contrasts of the present extraordinary financial and industrial situation," says The New York Times to-day.

Finance

2. "Do We Want a Central Bank?" is the title of an editorial in The Journal of Commerce for Oct. 28, which says in part: "For many years past the question has urgently presented itself to Americans whether they desire to see the establishment of a central bank. The problem was acute at the time the Federal Reserve System was established, and the solution then found was the creation of a series of district or 'regional' institutions. The Federal Reserve System has worked well - how well only those who have compared our experiences during and since the war with those of other nations can realize. Now a time has come when a concerted assault is being made upon it from a variety of sources, but all apparently with a single aim. It must be evident that the current debate in Congress about salaries and allowances at Federal Reserve banks is little more than a cloak to cover a movement for creation of a central Government institution. Should Congress, as is now urged, adopt a measure whose purpose is to place salaries at Federal Reserve banks on a basis somewhat similar to that of the Government service, an important first step toward converting the system into a public central banking organization will have been taken. Constant agitation for the granting of Government loans to interests adversely affected by present monetary and banking conditions has already borne fruit in the growth of the War Finance Corporation. There is almost equally strong demand for the adoption of some measure which will result in insuring Reserve bank advances to agriculture. The bill to place a farmer on the Federal Reserve Board has at least some standing in Congress, and there are other proposals whose object is clearly that of Government control and direction of our banking credits in the interest of special classes. ..."

Legislation

"'Bloc' Menace in Law Making" is the title of an article by Senator King in The Nation's Business for November. This says in part: "One of the evils of these times in public life of our country is the formation of numerous groups in the country, each with some special project or propaganda, and each attempting to seize the power of the Government and make of it an instrument to impose its project upon the people."

Milk Drivers' Strike in New York

Employees of milk distributing corporations in Greater New York voted to go on strike at midnight Oct. 31 after conferences between representatives of both sides failed to reach an agreement. ... Drivers and inside employees demanded a weekly increase of \$5, in the face of the milk companies' proposal to cut wages of the former 15 per cent and the latter 10 per cent. The employers' organization, known as the Milk Conference Board, employs more than 11,000 men. The city's milk consumption averages 3,000,000 quarts daily. The area affected includes Greater New York, Jersey City, Hoboken and many suburbs. Representatives of the employers declared they had prepared to meet the situation. (Assoc. Press, Nov. 1.)

North Dakota Election

Reorganization of the Nonpartisan League, and its return to power, are predicted by Senator Ladd, of North Dakota, elected last November as a League candidate, according to the press of to-day. Governor Preus, of Minnesota, who arrived in Washington yesterday stated to a representative of the Washington Post that the North Dakota election "represents the final revolt of the farmers of the Northwest against the alluring socialistic appeal, which had gained much headway in that section."

Section 3.

Department of
Agriculture

In an editorial entitled "What Happens in the Dark" The Country Gentleman for November 5 says: "Farm produce this year has brought very low returns to the farmer, yet consumers have paid stiff prices for vegetables. Last spring when scrubby little cabbages were selling in the cities for ten to fifteen cents a head, the farmers in New York State, unable to sell them at any price, were plowing under hundreds of tons of cabbages. Neither farmers nor consumers can understand why such conditions exist. ... Retailers declare they are not profiteering wholesalers and jobbers tell stories of losses; the railroads insist they are not to blame. None of these denials or explanations clears away the mystery; both farmers and consumers feel outraged. They want to know what happens in the dark and how it happens. Not only do they want to know, but they are going to find out in the near future. The newly reorganized Bureau of Markets of the United States Department of Agriculture has undertaken the problem. Dr. Henry C. Taylor, the chief of the bureau, has started a corps of investigators at work with instructions to make a careful, thorough and absolutely impartial study of marketing conditions. All the facts will be published. 'If they show that exorbitant profits are being made,' Doctor Taylor says, 'their publication will have the effect of attracting other people, which will start competition and lead to a correction of conditions.'"

Section 4.

MARKET QUOTATIONS

Farm Products

Oct. 31: Grain prices fluctuated rapidly within narrow range. - Visible supply wheat 54,333,000 bushels, a decrease of 1,354,000 bushels for week. Visible supply corn 18,935,000 bushels, a decrease of 732,000 bushels. Chicago December wheat about unchanged at \$1.07 3/4; Chicago December corn about unchanged at 48¢. Average price to farmers in Central North Dakota for No. 1 dark northern wheat \$1.08; to farmers in Central Iowa for No. 2 mixed corn about 33¢.

Chicago hog market higher; bulk of sales \$7.25 to \$8. Fat butcher cows and heifers down 15 to 25¢; butcher cows and heifers \$3.50 to \$9.50. Fat lambs steady to 25¢ higher at \$8.25 to \$9.40. Feeding lambs firm at \$6.75 to \$7.85.

Potato markets generally slow and weak. New York and Chicago markets about steady. New York Round Whites steady at shipping points at \$1.85 per 100 lbs. Maine Green Mountains steady at shipping points at \$1.36 to \$1.41. New York Baldwin apples A 2 1/2 steady at shipping points at \$6.50 per bbl. New York Danish cabbage steady at \$27 per ton bulk f.o.b.

Spot cotton lower at 18.36¢ per lb. New York December future also lower at 18.31¢.

Butter markets weak under less active buying interest. Cheese markets steady. Small quantities of Canadian cheese still being received.

Hay market generally weak. Demand very limited as most needs for some time have been filled. Feed markets steady. Production wheat and corn feeds good. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials
and
Railroads

Oct. 31: Average closing price 20 industrials 73.21, as compared with 85.84 corresponding day 1920; average closing price 20 railroad stocks 72.56, as compared with 83.31, (Wall St. Jour., Nov. 1.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 28.

Section 1.

November 2, 1921.

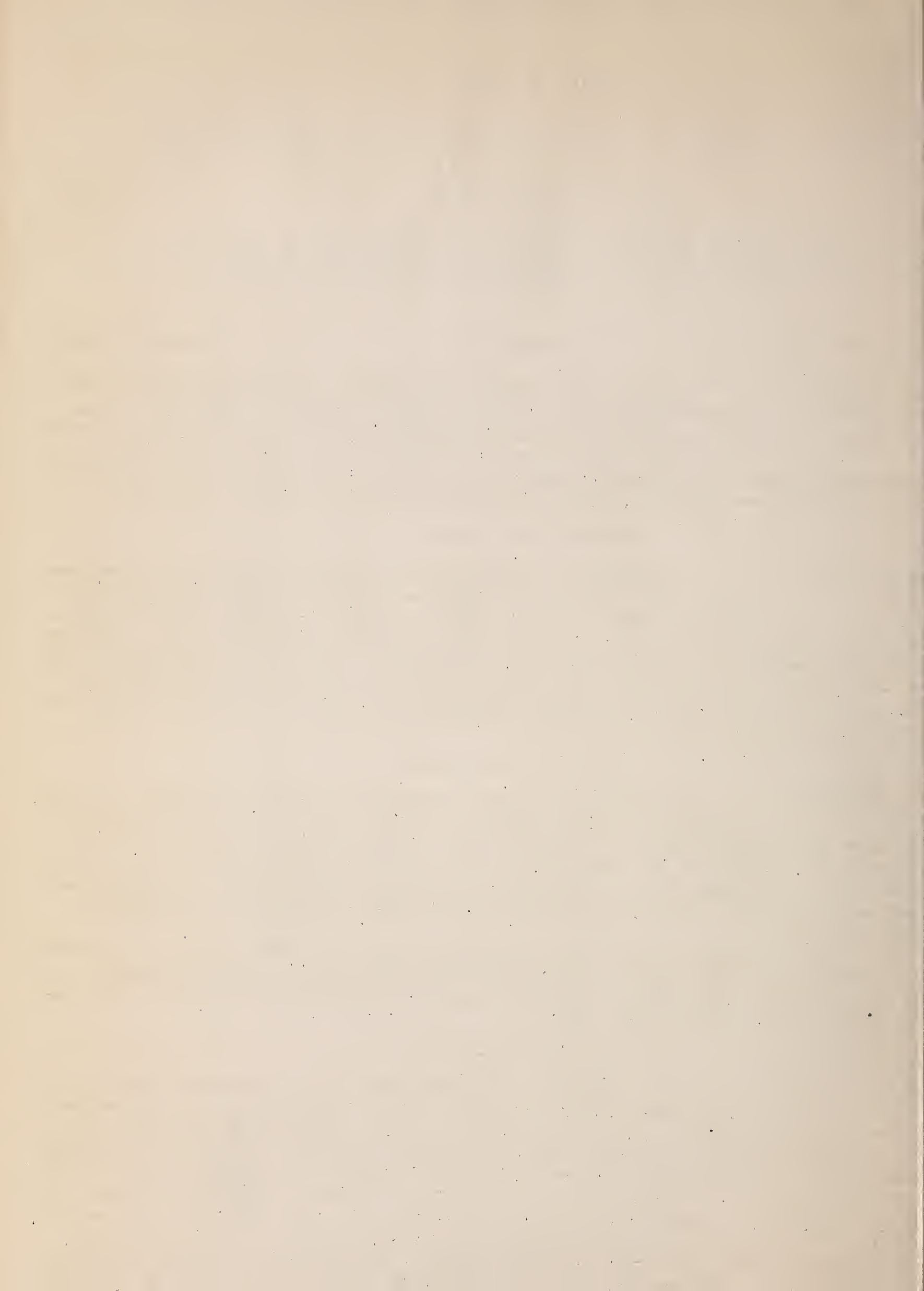
Wool Growers. Decision was reached at a meeting in Washington Nov. 1 of
Seek 33 per representative wool growers from 15 states to press for a duty
cent Duty of 33 per cent "per clean-pound-content" in tariff hearings which
 will begin soon before the Senate Finance Committee. This rate,
it was stated, would be practically equivalent to the 11 per cent "grease-pound" schedule "promised the wool growers in the Payne-Aldrich Tariff." (Press, Nov. 2.)

Reserve Bank Defending its action in increasing the salaries of employees
Salaries of the New York Federal Reserve Bank, the Federal Reserve Board
 replying Nov. 1 to a Senate resolution of inquiry declared that
the advances were made "in order to retain the services of officers who are constantly being tempted with outside offers at high salaries." Despite the increase in the pay of the Reserve Bank employes, the board's reply said the present salaries were 69 per cent less than those paid similar employees by banks which are members of the Federal Reserve system. (Press, Nov. 2.)

Tax Legislation A modified sales tax proposal was offered November 1 in the
 Senate by Senator Smoot. It provides for a 1 per cent manufacturers' tax on all sales in excess of \$6,000, and a turnover tax of one-half of 1 per cent on sales in excess of the same amount. The original Smoot proposal was limited to a manufacturers' sales tax of 3 per cent. Exemptions which would be allowed from the new manufacturers' rate would include farm products, charities and hospitals. (Press, Nov. 2.)

Sales tax advocates in the Senate claimed November 1 to have close to the necessary majority to put through one of the three alternate plans offered by Senator Smoot as a substitute for the miscellaneous excises contained in the pending tax revision bill. (Assoc. Press, Nov. 2.)

The Tax Bill In an editorial entitled "The Tax Bill Betrayal" The New
 York Times to-day says: "It may be too late, for it is expected
that the Senate will take a vote on the maimed, mauled and misshapen tax bill this week, but Congress stands in urgent need of guidance from the firm hand of President Harding, which, in respect to tax law revision, it ought to have had long ago. With his opportunities for information, far transcending in scope and trustworthiness those of any Senator or Member, he must be perfectly well aware that the bill as the Senate is going to return it to the House, and as it is likely to stand even after changes in conference, will disappoint the country, will be received with resentment and indignation. ... The excess profits taxes, which, with all its zeal for punishing



wealth, Congress did not dare to retain unqualifiedly, are continued in force another year. Money must be taken from next year's income to pay the profits taxes on this year's business. Surtaxes which the House limited to 32 per cent in the maximum bracket have been advanced to a maximum of 50 per cent by Senate amendment. The normal tax on corporations is to be increased by 50 per cent, and Mr. Lenroot's amendment imposing a progressive tax on capital stock, \$1 per thousand on \$3,000,000 and \$2 on every thousand in excess of \$3,000,000 of capitalization, was adopted on Monday. This may properly be called a 'spite' tax. It reflects the disfavor with which this Congress, particularly the agricultural bloc, regards any one who tries to do business on a large scale. There will be practically no relief under this legislation until the year 1923. ... Mr. Harding, as we have said, must know very well that such a revision of the tax laws will be ill received by the country. The agricultural bloc has in view only its own peculiar constituency, just as the frightened legislators who gave the country the Adamson bill in 1916 thought only of the brotherhood and labor vote."

Section 2.

Agricultural Finance

The War Finance Corporation has approved the following advances: \$30,000 to a financial institution in Iowa on agricultural loans; \$17,000 to a financial institution in Nebraska on agricultural loans; \$170,000 to 6 financial institutions in South Dakota on agricultural loans; \$183,000 to a financial institution in Minnesota on live stock; \$532,000 to a financial institution in Wyoming on live stock; \$240,-393 to 3 financial institutions in Texas on live stock; \$50,000 to a financial institution in North Carolina on agricultural loans; \$43,-250 to a financial institution in South Carolina on agricultural loans; \$500,000 to a financial institution in Louisiana to finance exports of wheat and cotton; \$1,000,000 to a financial institution in Louisiana to finance exports of wheat and cotton. (W.F.C. press statement, Nov. 1.)

Agricultural Press

"Following the Development of the Agricultural Press" is the title of a comprehensive article by Blair Converse in The Iowa Agriculturist for October. Stating that the first agricultural weekly published in this country made its appearance April 2, 1819, at Baltimore, Md., under the editorship of John S. Skinner, the article says: "In this month of the year 1921, a little over 100 years since that first step in agricultural journalism, there will be published over 500 weekly, semi-weekly and monthly papers devoted to the interests of the farm, in addition to scores of 'farm sections' of daily newspapers."

Agricultural Unemployment

"Unemployment in agriculture pursuits is one of the subjects included in the Agenda of the Third International Labor Conference which is now in convention in Geneva, Switzerland, where delegates from some fifty countries are gathering to discuss many problems with a view towards further legislative and other measures being taken throughout the world for the betterment of working conditions. Preliminary reports for the use of delegates to the Conference - compiled by the International Labor Office, from answers made by various member governments to questionnaires sent out by the Office, have just been received in this country. One of these deals with the adaptation to agricultural labor of measures for the prevention of unemployment. Ernest Greenwood, American Correspondent at Washington of the Inter-

national Labor Office, issues a statement saying: 'The conclusion which emerges from the replies of the governments is that none of them contest the right of agricultural workers to enjoy the same protection against unemployment as industrial workers. All have recognized that the problem of agricultural unemployment is of capital importance and merits profound study. Some of the solutions to the problem, which are to be considered at the Conference, are as follows: Increase of the area under cultivation, either by rendering land susceptible of cultivation, which is not so at the present time, or by exploiting land which is at present uncultivated or insufficiently cultivated. The transformation of extensive cultivation into intensive cultivation, increase of the labor employed per unit of cultivated land. Creation of small landed properties or landed farms by the development of agricultural credits. Facilities for transport of agricultural workers. Creation of agricultural workers' cooperative societies for the working and purchase or renting of land.' " (Com. & Fin. Chron., Oct. 29.)

Business Conditions

"The South Comes Back into its Own as Cotton Moves at Higher Prices" is the title of an article by Archer Wall Douglas in The Nation's Business for November. In this the author states that cotton is being sold freely, and the farmer will dispose of most of his holdings by the New Year. He says: "Merely sane and sober continuance in diversification and in the production of all the food she needs, and, most of all, suiting the production of cotton to the demand, and she has a vista of prosperity stretching away before her and recompensing her for all her troubles." The article contains a "Douglas Map," which shows the general business conditions of the country on Oct. 11, 1921.

Business "Cycles"

"This theory of 'cycles' in business has been in vogue for a long time. Speculators lay great store by it, the long upward and downward sweep, with the choppy variations as they move - and as one puts it, if the stock trader can make the gains and losses through small fluctuations balance each other and at the same time sustain his business - then if he have acumen to discern the turn, the beginning of the long upward wave - he can ride it to prosperity and cumulative profits. And in like manner to a certain extent may the business man deport himself. But, since there are these minor ups and downs along the way in which the business of the country, or of any industry, has its daily life, may not one say with a large degree of rightful cautioning - beware of cycles! For one thing, the periodicity of cycles has not been determined with any degree of accuracy or finality. Charts are prepared which seem to demonstrate a law, but that law cannot be divulged by the zigzag lines on a prepared chart, only the seeming law deduced from the predicated facts - a system which is liable to the criticism that it proves what it seeks to prove. Perhaps the basic law behind the theory of cycles is that over-extension in its very nature produces collapse - so great is the pressure upon the balloon that it bursts." (Com. & Fin. Chron., Oct. 29.)

Foreign Trade

Exports of wheat, cotton, copper and other raw materials have placed the United States in a dominant position in the world commodity markets, according to Commerce Monthly for November.

Marketing
"in the Dark"

"Exposing and destroying a so-called 'system' or 'ring' of Chicago speculators who are admittedly working in conjunction with western producers to keep up food prices would in itself revolutionize the distribution in Chicago of foods produced west of the Rocky Mountains and justify times over the 5,000 mile journey recently ended by the council committee on public markets and high costs, according to a statement Oct. 27 by Alderman Lyle. Existence of such a ring was discovered by the alderman in Portland, Ore., during a meeting there with officials of the Hood River Fruit Growers' Association and the Portland Chamber of Commerce. The discovery came about when Alderman Kavanagh, chairman of the public markets committee, demanded of one of the speakers information as to whether any individual could purchase a carload of fruit or if the buyer must be a member of a brokers' ring. The speaker is said to have reluctantly admitted that the Fruit Growers' Association would not ship to individual distributors. He said there was a system which he admitted was synonymous with a ring. ..." (Chicago Daily News, Oct. 27.)

Milk
Legislation

District of Columbia milk distributors won a point in their war against Virginia and Maryland Milk Producers' Association Nov. 1, with the introduction of a bill in the House by Chairman Focht, of the House District Committee, to legalize the sale of pasteurized milk in Washington. (Press, Nov. 2.)

Prices

"The recent threat of a strike by the train service organizations has had its effect in creating irregular and uncertain conditions in the general business situation, according to the trade reviews made public Oct. 28. Bradstreet's food index number for the week showed a gain of 2.4 per cent, while Dun's list of wholesale prices for commodities indicated 46 advances and 41 recessions, as compared with the figures for the previous week. Bradstreet's food index number stood at \$2.99, compared with \$2.92 last week." (Jour. of Commerce, Oct. 29.)

Rail and
Farm Wages

An editorial entitled "If Railroad Labor Grew Our Corn" in Wallaces' Farmer for Oct. 28 says: "The average railroad wage is now around 61 cents an hour. Mr. Lorenz, statistician for the Interstate Commerce Commission, estimates that if farm hands were paid the same wages as railroad workers that corn would cost 24 cents a bushel more than it does now. In making this estimate, however, Mr. Lorenz does not take into account the fact that horse labor is in essence the condensed man labor of the year before. Taking into account this fact, it may safely be said that if farm hands were paid the same wage as railroad workers that the cost of producing a bushel of corn would be increased by at least 45 cents a bushel."

Taxation

The fight for exemption of the small business man from excessive income surtaxes was taken up by the Investment Bankers' Association at its tenth annual convention at New Orleans, Oct. 31, when delegates were urged to wire members of Congress asking a 30 per cent credit on income taxes for men actively engaged in business. (Press, Nov. 1.)

Wheat Advances
for Australian
Farmers

Premier Hughes' proposal that 3 shillings per bushel be advanced to the farmers at railway sidings on all voluntarily pooled wheat has been adopted by the Australian House of Representatives. (Jour. of Commerce, Oct. 31.)



Section 3.

Department of
Agriculture

The Price Current-Grain Reporter for October 26 quotes J. F. Zahm & Co., Toledo, as saying: "Secretary Wallace of the Agricultural Department should look into last week's report on wheat supplies. Or, better still, why not have Secretary Hoover give it the 'once over'? There is no doubt but what the report is wrong, and that the officials in charge have made an error in figuring the amount already consumed, and have 'botched' up the figures relating to wheat marketed. The general public and the buyer of wheat and flour, also the foreign buyer, have received the report, and no doubt accept it as correct, but even though it is correct, we think an explanation is due as to how the figures are arrived at, and we hope some one will get busy and demand a statement of that kind."

Section 4.

MARKET QUOTATIONS

Farm Products

Nov. 1: Wheat and oats reached new low prices on crop under liquidation and lack of support. Chicago December wheat closed at \$1.02 1/8; Chicago December corn 46 1/8¢. Export demand very slow. World wheat crop estimated at 2,808,000,000 bushels or 88,000,000 bushels more than last year. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.15; No. 2 hard winter wheat \$1.02; No. 2 mixed corn 46¢; No. 3 white oats 30¢. Average price to farmers in Central Iowa for No. 2 mixed corn around 31¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.08 1/4.

Chicago Hog market lower, bulk of sales \$7.25 to \$7.75. Beef steers and butcher cows and heifers slow but generally steady; medium and good beef steers \$5.75 to \$11; butcher cows and heifers \$3.50 to \$9.50. Fat sheep and lambs generally steady; fat lambs \$8.25 to \$9.45.

Potato markets nearly steady; demand limited. New York Round Whites steady at shipping points at \$1.85 per 100 lbs. sacked. Maine Green Mountains unchanged at shipping points at \$1.36 to \$1.41 per 100 lbs. Baldwin Apples A 2 1/2 steady at shipping points at \$6.25 to \$6.50 per bbl. New York Danish Cabbage \$26 to \$28 per ton f.o.b.

Spot cotton lower at 18.28¢ per lb. New York December future higher at 18.37¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials
and
Railroads

Nov. 1: Average closing price 20 industrials 73.44; average closing price 20 railroad stocks 72.53. (Wall St. Jour., Nov. 2.)



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Vol. III, no. 29.

Section 1.

November 3, 1921.

Road Bill

The Federal Government between next July 1 and July 1, 1927, would aid states to the extent of \$500,000,000, at the rate of \$100,000,000 a year, in the construction and repair of roads under a bill introduced Nov. 2 by Representative Woodruff, a member of the roads committee. The measure carries an additional \$40,000,000 for national forest roads and trails.

A Federal appropriation of \$2,500,000 for aiding in the construction of the Roosevelt highway along the Pacific coast in Oregon would be authorized in a bill introduced Nov. 2 by Representative Hawley, Oregon. The State of Oregon would contribute a similar amount. (Press, Nov. 3.)

Tariff Hearings

The Senate Finance Committee is scheduled to-day to reopen public hearings on the permanent tariff bill, which was laid aside in September for the revenue bill. Chairman Penrose announced last night that the first schedule to be taken up would be that of agricultural products, and that at least the first day's session would be devoted to rates on wool and woollen products. Mr. Penrose said also it was planned to take committee action on the resolution extending the emergency tariff. Action on the resolution, which has been adopted by the House, has been sought twice, but each time a quorum of the committee was lacking. (Press, Nov. 3.)

Tax Legislation

Deploring the effort to put a sales tax through the Senate at this time, Chairman Fordney of the House Ways and Means Committee, stated November 2 that it was his plan to bring in a sales tax in connection with the soldiers' bonus bill which, he said, would be reported during the coming regular session of Congress. Earlier in the day, Mr. Fordney, Representative Green of Iowa, and Representative Longworth of Ohio, ranking Republican on the Ways and Means Committee, had informed Senate leaders that under no condition would the House agree to a sales tax at this time. (Press, Nov. 3.)

Taxation

In an editorial entitled "Turning to the Sales Tax," The New York Times to-day says: "Those who advocate the sales tax have repeatedly warned Congress that, delay as it might, sooner or later it must come to that tax as the only one capable of bringing to the Treasury the revenues it must have, while at the same time it was free from the objections of injustice, of hardship and injury to the business of the country, that lie against the present laws imposing taxes upon the incomes of individuals and corporations. Senator Smoot's bill, or the modifications of it which he has suggested, would be but the beginning. The sales tax as he proposes it would be substituted for what are called the miscel-

laneous taxes of the Senate bill, including the 'nuisance' taxes, such as the impost on articles of wear, of luxury, of transportation, and so on. This will be only a palliative, for the high surtaxes would remain; the increase of capital stock taxes on the corporations would stand, and the most vicious thing of all, the continuing of the excess profits tax upon the business of this year, would be left untouched. But it would be a great step forward, since the opportunity would be given for the demonstration of the merits of the sales tax principle and plan."

Section 2.

Agricultural
Inquiry
Commission
to have
Clothiers'
Data

At a conference Nov. 1 with members of the Congressional Joint Commission of Agricultural Inquiry, the executive board of the National Association of Retail Clothiers agreed to cooperate with the commission in every possible way. "We will endeavor to get all the information the commission wishes," C. E. Wry, executive manager, said before leaving for Chicago, where he will complete plans for an investigation which will cover practically every retail clothier in the United States. The investigation is expected to inquire into prices, overhead costs and waste in distribution. (N. Y. Daily News Record, Nov. 2.)

Cooperation

"The Cooperative Wholesale Society of England, perhaps the greatest yet organized, with over three million members and doing an annual business of more than a billion and a quarter of dollars, in its balance sheet for the last six months shows losses of \$14,000,000 in a half year. It owns banks, ships, coal mines, docks, plantations, manufacturing plants, but the slump of the past year hits them just the same as it has hit private enterprise. The Equity Cooperative Packing Plant with a paid in capital of \$2,000,000 has a model packing plant, town, hotel and yards just outside of Fargo, N. D., but the plant is silent, though it opened for business in June 1921. Last month a thousand stockholders of the company secured an injunction and asked for a receiver, charging losses of \$1,000,000 through mismanagement of the company. The truth seems to be that the Cooperative company had the same experience as other packing plants and suffered losses of exactly the same character as other plants have been forced to accept and write off. The point is that cooperative enterprises must be managed upon a business basis, exactly like any other business enterprise." (Orange Judd Farmer, Nov. 1.)

Corn as Fuel 1. Agricultural experts disagree as to the practicability, as well as economy, of corn as a fuel. N. J. Holmberg, Minneapolis Commissioner of Agriculture, says farmers cannot afford to burn their corn. They feed it to stock, he says, and thus get a higher price than in the open market. E. A. Stewart, of the University of Minnesota, asserts farmers can better afford to burn corn than to buy coal at present prices. (St. Paul dispatch to press, Oct. 29.)

2. Replies from an inquiry sent out by the Illinois Agricultural Association to seven county farm bureaus indicate that the articles appearing in the press recently about the burning of corn are unfounded, as far as Illinois is concerned. All seven replies declared that no good corn was being burned in prominent corn-growing counties. (I. A. A. News Letter, Oct. 20.)



Dairy Data

The Dairy Marketing Department of the American Farm Bureau Federation on July 9, 1921, sent out a request to the county agricultural agents of the United States for a list of the cooperative creameries, cooperative cheese factories and cooperative market milk organizations operating in the various counties. The county agents have responded in a splendid way and the tabulated results to date show 1,251 cooperative creameries located in 32 states; 308 cooperative cheese factories from 18 states and 122 milk marketing organizations with 27 states represented. (A. F. B. F. Weekly News Letter, Oct. 27.)

Farm
Financing

The War Finance Corporation announced Nov. 2 that it had approved further advances for agricultural and live-stock business through financial institutions in Montana, Iowa, North Dakota, South Dakota, Minnesota, Missouri, Kansas, North Carolina and Louisiana. The corporation also has approved an advance of \$300,000 to a cooperative association in California on canned fruits and vegetables. The corporation has been informed that bankers and business men in Blackfoot, Idaho, are organizing a finance corporation for general agricultural and live-stock business, with a capital of \$100,000. A similar organization, with subscribed capital of \$200,000, is being perfected by the bankers and business men of Tucson, Arizona; and Florida proposes to form a live-stock loan company, with a subscribed capital of \$250,000.

Farm Labor

In an editorial on "Strategic Bargaining for the Farmer and the Laborer" Wallaces' Farmer for Oct. 28 says: "Except in very few cases, the farmer is much more a salesman of his labor than he is the buyer of the labor of others. And as a salesman of his own labor, he finds himself in exactly the same position as the city laboring man. Millions of unorganized farmers compete with each other in selling to a few thousand highly organized buyers. The prices which are set in this selling represent the wage of the farmer. The farmers following in the footsteps of union labor are now organizing to have something to say about this wage. Following further in the footsteps of union labor, organized farmers will eventually want to employ expert bargain-ers, men who know the price-making forces, and who can, through their ability as salesmen and market strategists, secure such a price for farm products as will return the farmer the highest possible wage."

Farmers and
Disarmament

American Farm Bureau Federation Weekly News Letter for Oct. 27 says; "Thousands of farmers a day are enrolling in the Army of Disarmament and Permanent Peace. The state farm bureau federations which have had time to reply to the American Farm Bureau Federation's call for 2,000,000 signers to the Peace Petition pledge themselves to do all within their power to voice effectively the wishes of rural America to the Disarmament Conference. ... To the Iowa Farm Bureau Federation goes credit for starting the Disarmament Petition."

Federal Reserve
Rates Cut

The Federal Reserve Board announced Nov. 2 that further cuts in the discount rate of Federal Reserve banks in eight districts had been approved. In the New York and Philadelphia districts the rate was cut one-half of 1 per cent, bringing the rate down to 4 1/2 per cent. In St. Louis and San Francisco the rate was reduced from 5 1/2 to 5 per cent, in Chicago and Kansas City from 6 to 5 per cent, and (Cont'd p.4)

in Richmond and Atlanta from 6 to 5 1/2 per cent. For the present the rate remains unchanged in Boston at 5 per cent, in the Cleveland district at 5 1/2 per cent, and in the Minneapolis and Dallas districts at 6 per cent. (Press, Nov. 3.)

Grain Marketing

Membership in the U. S. Grain Growers, Inc., last week passed the 20,000 mark, according to an official recapitulation of work in ten states, issued at Chicago Oct. 31. It was reported that the farmers' grain company has enlisted the support of 20,444 farmers, an increase of 1,694 for the previous six-day period. Six hundred and eight elevators and grain growers associations have become affiliated with the movement. (U. S. G. G. press statement, Oct. 31.)

Milk Prices

"The November price for milk to be sold by the Dairymen's League Cooperative Association is \$3.37 per 100 pounds for 3 per cent milk in the base zone of 200 to 210 miles from New York City. This is the same price as for October. There is a change, however, in class 2, which is sub-divided into two divisions. The first one includes milk sold to be made into soft cheese, the November price of which is \$2.50 per 100 pounds. The second division in this class is for cream, ice cream and condensed milk, the November price being \$2.25, which is the October figure on all of these products when class 2 was without the sub-division. Class 3 goes on the same basis as during October with the average of 91, 92, and 93-score butter, plus 40 cents as the price for milk sold in this class. Butter and cheese in class 4 is on the same basis, depending on market conditions." (American Agriculturist, Oct. 29.)

Milk Strike in Cleveland

Hundreds of thousands of people of Cleveland were without milk Nov. 2 as a result of the failure of between 750 and 800 drivers to report for work. The men went on strike following a vote Nov. 1 by members of the Milk and Ice Cream Wagon Drivers, Chauffeurs and Helpers' Union after a break in negotiations for a new wage scale, which had been going on since Oct. 1, when the companies announced a reduction of \$6.50 in the weekly wages, which averaged \$38. (Press, Nov. 3.)

Prices

"In a recent address Secretary Wallace said: 'It seems to me that it would be far better to bring farm prices up to the level of railway rates, labor and manufactured commodities than to reduce the prices of these commodities down to a plane with farm products'. If anybody had power to 'bring prices up' or to 'reduce prices down' it would be much more pleasant to all concerned to exercise that power for the first-named purpose. But nobody can do either of these things. Conditions will determine the movement of prices, whether up or down. At a time when artificial prices or wages are in effect in some industries and not in others we are likely to forget that no artificial scale of wages or prices can be maintained very long. Farm products and other commodities sold on open markets will always be affected first in any readjustment, while labor subject to agreements and things marketed by other means will follow the trend of conditions more slowly. This is productive of inequalities which cause discontent, as is entirely natural. They also bring about efforts to overcome artificial prices or wages in part of the country's industries by trying to set up the same thing in other industries." (The National Stockman and Farmer, Oct. 29.)

Tariff

"Dr. George L. Sands, president of the Arkansas division of the Farmers' Educational and Cooperative Union of America, speaking for 250,000 farmers in Arkansas, condemns the American valuation plan in the Fordney tariff on the grounds that it discriminates against American agriculture and is destined, if it becomes law, 'to seal America's doom'." (Jour. of Commerce, Nov. 2.)

Taxation

Coming out against the sales tax, the National Board of Farm Organizations Nov. 1 addressed an open appeal to the Senate asking that the excess profits taxes and the higher surtax rates be retained (Jour. of Commerce, Nov. 2.)

Water Transportation of Fruit

Approving the recommendation of the Water Transportation Committee of the California Fruit Growers Exchange, that a producers' steamship company for the transporting of citrus fruits from Los Angeles Harbor to Atlantic Coast ports be organized, the Board of Directors of the exchange has taken official action indorsing the project and authorized the management to secure contracts for a minimum of 2,000,000 boxes of fruit for water shipment. (The California Citrograph for November.)

Section 3.

MARKET QUOTATIONS

Farm Products

Nov. 2: Grain prices reached new low early but rallied on buying by elevator interests. Several Minneapolis mills reported shut down account slow flour demand. Chicago December wheat closed unchanged at \$1.02 1/8; Chicago December corn higher at 46 3/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.14; No. 2 hard winter wheat \$1.04; No. 2 mixed corn 46¢; No. 3 white oats 30 1/4¢. Average price to farmers in Central Iowa for No. 2 mixed corn around 32¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.02 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market steady and closed firm, bulk of sales \$7.35 to \$7.80. Good and choice beef steers and yearlings strong to higher, medium and good beef steers \$5.85 to \$11.25. Fat sheep and lambs steady to 25¢ lower, fat lambs \$8 to \$9.25.

New York potato market firm; most markets slow and dull; supplies heavy. New York Round Whites steady at shipping points at \$1.85 per 100 lbs. sacked. Baldwin Apples A 2 1/2 steady at shipping points at \$6.25 to \$6.50. New York Danish cabbage slightly lower at shipping points at \$26 per ton bulk.

Hay markets generally dull. Some accumulation in central Western markets, principally at Kansas City. Wheat feeds weak on lower grain prices and light demand.

Butter markets unsettled. Cheese markets steady although actual trading not active.

Spot cotton higher at 18.43¢ per lb. New York December future also higher at 18.62¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Nov. 2: Average closing price 20 industrials 73.52, as compared with 84.99 corresponding day 1920; average closing price 20 railroad stocks 72.58, compared with 85.37. (Wall St. Jour., Nov. 3.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

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Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 30.

Section 1.

November 4, 1921.

Government Expenditures The administration expects to effect an aggregate reduction in government expenditures for the fiscal year of 1922 of \$439,000,000 instead of its previous estimated reduction of \$350,000,000. President Harding informed Congress through a letter to Speaker Gillett made public yesterday. On the basis of the latest estimates received from the various departments and establishments, the President said, the total of expenditures for the next fiscal year now stands at \$3,940,000,000, a reduction of \$94,000,000 from the estimate of \$4,034,000,000 submitted to Congress on August 10. The President's estimates were submitted in connection with the transmission of supplemental and deficiency estimates of appropriations amounting to nearly \$183,000,000, which he said were taken into consideration in arriving at the expenditures total for next year. (Assoc. Press, Nov. 4.)

The Tax Bill The sales tax was rejected Nov. 3 by the Senate. The vote, 43 against, to 25 for, was on a proposal by Senator Smoot for a 1 per cent levy, with exemptions provided in the case of sales by farmers of the products of their farms, sales by public utilities and those by the United States or any foreign government or any state or territory, the Army and Navy and hospitals. All committee amendments to the bill have now been disposed of, and Senator McCumber announced last night that the measure, as it now stands, will produce a total revenue of \$3,250,000,000. (Press, Nov. 4.)

Tariff Bill The Senate Finance Committee, which gave a hearing Nov. 3 on tariff questions, ordered a favorable report on the House resolution extending the emergency tariff law to Feb. 1, or until such time as the permanent tariff schedules are enacted into law.

T. C. Atkeson, representing the National Grange, the only witness to be heard yesterday, reiterated the stand of the farm organizations that so long as the policy of the Government is protection, farm products must share in it. He told the committee the farmers "repudiate entirely the dictum of the old tariff philosopher that agricultural products are raw materials," contending they were "finished where they grow, and should be so considered by Congress in legislation."

The proposed schedules of duties on agricultural products which were to have been submitted by the group of Western Senators were withheld until the hearings are resumed next week, Senator Gooding, head of the group, explaining that the members felt that all members of the committee should be present when the basic rates are taken up. (press, Nov. 4.)

Classification The Lehlbach bill, providing for the classification of civilian
Legislation positions in the District of Columbia, was reported favorably to the
House, Nov. 3 by Chairman Lehlbach, of the Committee on Reform in the
Civil Service. (Press, Nov. 4.)

Railroad Before the Senate committee investigating the railroad situation,
Reductions S. H. Cowan, representing live-stock producers' organizations, Nov. 3
Urged urged reduction of railroad employees' wages, repeal of the provisions
of the transportation act governing rates and establishing the Rail-
road Labor Board. (Press, Nov. 4.)

Section 2.

Cotton The action of Los Angeles banks in advancing the necessary funds
Financing on last year's cotton crop in the Salt River Valley saved millions of
dollars to Arizona growers by preventing forced sales at ruinous
prices, according to J. D. Day, vice president, First National Bank
of Los Angeles. "The Maricopa County Credit Association," Mr. Day
reports, "has been formed with a capital of \$100,000 to act as a sort
of middleman for Arizona growers. The stock has been subscribed by
banks of the Salt River Valley. With this machinery set up a \$1,000,-
000 credit has been promised by Los Angeles banks to finance the
movement of the new cotton crop in addition to credits given on the
old crop." (Los Angeles dispatch to Phila. Ledger, Nov. 3.)

Cotton Goods Heavy orders of goods for China have been taken at low rates by
for China large firms holding cotton yarn stocks bought low. It is reported
that orders of this kind amount to 1,000,000 pounds sterling.
(Manchester, Eng., dispatch to N. Y. Daily News Record, Nov. 2.)

Federal Reserve Approval of a reduction in the rediscount rate of the Boston
Rates Cut Federal Reserve Bank from 5 to 4 1/2 per cent was announced Nov. 3
by the Federal Reserve Board. Reduction in the rediscount rate of
the Dallas Reserve Bank from 6 per cent to 5 1/2 per cent was also
announced. (Press, Nov. 4.)

Foreign Discount The Bank of England Nov. 3 reduced its rate of discount to 5 per
Rate Cut cent. This reduction was due chiefly to the Nov. 2 reduction in the
Federal Reserve Bank rate in New York, it was understood in financial
quarters. (N. Y. Times, Nov. 4.)

Foreign Trade Exports from the United States to Mexico continue to show remark-
able increases despite the reduction of our imports from that country.
The value of our exports to Mexico, says the Trade Record of the
National City Bank of New York, shows an increase of 53 per cent in
the eight months of 1921, as compared with the corresponding months
of last year, while the value of the imports from Mexico show a de-
cline of 34 per cent in the same period. Even in the latest month,
August, in which the general export trade shows a heavy fall, the
total value of exports to Mexico shows a slight increase over August
of last year, although the value of the imports from Mexico for the
month is less than one-third that of August of last year. (Press, Nov. 2)

Grain
Growers'
Problems

"Every needed reform in the grain business of our country will be brought about, eventually, by reason of the wholesome influence which farmer competition will present," says C. H. Gustafson, president of the U. S. Grain Growers, Inc., in an article on "Problems of the Grain Growers," appearing in The Forum for November. In presenting the problems which confront grain growers, Mr. Gustafson points out that agriculture is now entering upon its third stage of development. The first was that in which the agricultural sections of the country were settled and soil fertility mined. The second started when land prices began to advance and the American farmer found himself unable to provide for his family, except through realizing profit on land sales and by using the man power of his wife and family. The country, he says, is now entering upon the third stage, the most important phase of which is the wide-spread realization that only by extending farm operations to include the marketing of crops grown can producers hope to obtain a competence and assure them of freedom from want in old age. Mr. Gustafson then proceeds to outline the work of the Committee of Seventeen and the organization and development of the U. S. Grain Growers, Inc. (U. S. G.-G. press statement, Nov. 1.)

Live-Stock
Marketing

The Farmers' Live Stock Marketing Committee of 15, appointed by president J. R. Howard of the American Farm Bureau Federation, has completed its report, which will be submitted to the National Live Stock Producers' Conference at Chicago Nov. 10. The Committee of 15 recommends the organization of a great national live stock producers' organization, builded on efficient live stock marketing; the establishment at the terminals of producers' live stock commission associations, with allied stocker-and-feeder companies; the strengthening of the local cooperative live stock shipping association movement; the working out of an orderly marketing program by the board of directors of the National Live Stock Producers' Association; the establishment of a Transportation Department to cooperate with the American Farm Bureau Federation and the state farm bureaus; the interpretation of live-stock statistics, and cooperation with the American Farm Bureau Federation in extending the market for meat. (A. F. B. F. Weekly News Letter, Oct. 27.)

Milk
Legislation

Before a District subcommittee of the House investigating the Washington milk situation, experts of the Department of Agriculture Nov. 3 differed as to the necessity for tuberculin tested milk as a safeguard to health. Dr. Frank I. Winant, veterinary inspector for the Bureau of Animal Industry, declared that while pasteurization is a good thing so far as it goes, the tuberculin test is also essential, especially for the protection of milk given to infants. Dr. E. C. Schroeder, superintendent of the experiment station, testified with equal emphasis that proper pasteurization affords protection not only from bovine tuberculosis but from many other diseases. He told the subcommittee that the additional protection afforded by the tuberculin test is of such infinitesimal value that the money so spent would better be expended in perfecting the pasteurization process. Dr. William C. Fowler, District of Columbia health officer, and author of a bill pending before the subcommittee, insists that the tuberculin test is necessary. (Press, Nov. 4.)



Railroad Wage Cut

Chief operating officials of railroads in the eastern territory planned at a conference in New York Nov. 3 to give the required 30 days' notice of the proposed wage cuts to representatives of each class of employees the latter part of next week. (Assoc. Press, Nov. 4)

Rate Cut on Sugar Beets

Sugar beet freight rates have been ordered reduced 25% by the Michigan Utilities Commission, effective November 3. Railroads must reimburse shippers for difference between new rates and existing rates on all shipments since filing of petition a month ago. On estimated Michigan production of 141,000 tons during the coming season, Michigan companies will save about \$846,000. (Wall St. Jour., Oct. 31.)

Warehousing Corn

The Directors of the War Finance Corporation Nov. 3 decided, with the approval of the Secretary of the Treasury and the Secretary of Agriculture, to appoint a committee for the purpose of investigating and developing plans for warehousing corn on a large scale. ... It is believed that ways and means may be found by which a considerable part of the large surplus now on hand may be safely stored and financed on a sound business basis until it can be marketed or utilized, with benefit to the farmers in the corn belt as well as to the entire nation. Crop records show that unusual yields do not continue indefinitely, and the preservation of a surplus against a time of diminished production is in line with a sound economic and financial policy. The membership of the Committee will be announced shortly. (W. F. C. press statement, Nov. 3.)

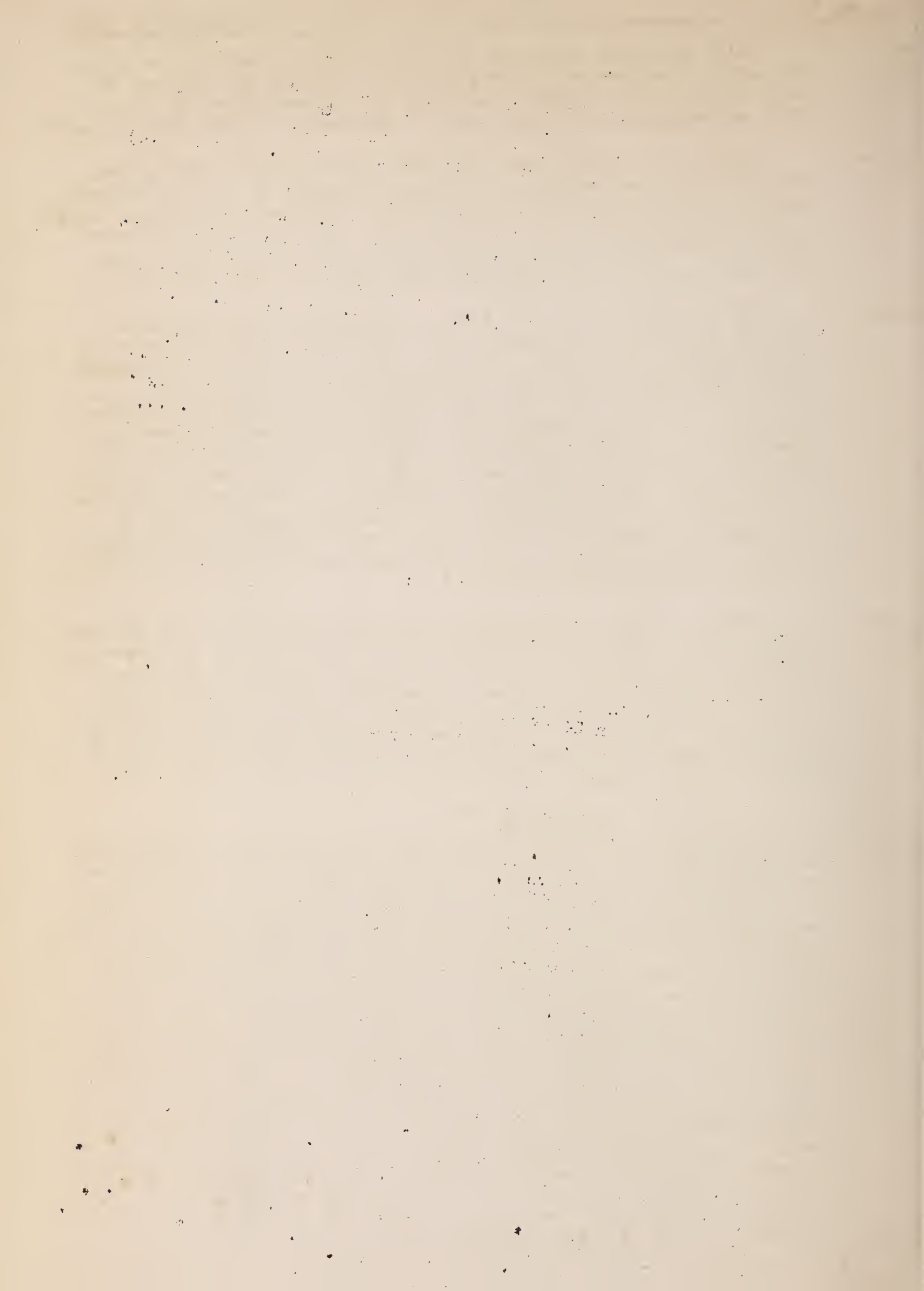
War Finance Corp. Cuts Rates

The War Finance Corporation to-day announced that it had reduced its interest rates on advances to banks for agricultural or live-stock purposes under Section 24 of the War Finance Corporation Act from 5 1/2 per cent to 5 per cent on all advances maturing in six months or less, without the privilege of renewal, and on all other advances to banks for agricultural or live-stock purposes under Section 24 of the War Finance Corporation Act from 6 per cent to 5 1/2 per cent. (W. F. C. press statement, Nov. 3.)

Section 3.

Department of Agriculture

"Good Government Work" is the title of an editorial in The Dairy Record for Oct. 26, which says: "The Dairy Record always has endorsed the work of the Dairy Division of the Department of Agriculture, has tried to show its importance, and has only regretted that it could not be carried on farther and under forms that would give the division the public credit to which it is entitled, and which would increase its standing and usefulness. Always it has seemed to us that the Dairy Division had no chance to come before the American dairy industry in a manner befitting its importance. It was, therefore, a great satisfaction to see the excellent use made of the opportunity presented the division at the recent National Dairy Show. ... And, fortunately, the real farmers and the creamery men really in need of help were there in large numbers to see and learn. The lessons on better breeding and feeding, on supply and demand, on market service (Bureau of Markets) and on other subjects bearing on the prosperity of the dairy industry, were brought home to every one in attendance, and without a doubt will bear fruit. But the most striking feature of the whole Government exhibit was the general arrangement, the ingenuity displayed, the care to avoid unnecessary expense, the evident study



supporting each demonstration, and the exceedingly practical manner in which the whole undertaking was carried out. We hope that many of those who got the lessons in better dairying and better marketing from this Government exhibit also got the lesson of Government efficiency displayed in the whole plan and arrangement - a degree of efficiency not surpassed in the arrangement of any commercial exhibit. The Dairy Division, and the Bureau of Markets, too, render the dairy industry a real and lasting service by their exhibits at the National Dairy Show. ... "

2. "National Land Survey" is the title of an editorial in The Farmer (St. Paul) for Oct. 29, based on the announcement by Secretary Wallace of the formation of a committee to consider the entire problem of land utilization. This says in part: "In making a survey with reference to the utilization of undeveloped land in the years to come, the Department of Agriculture is simply making wise provision for the time when crop consumption will greatly exceed crop production. It is well to have this information, but judging from present conditions it will not be necessary to use the information for some years to come. Just now the farmer is thinking more about cutting down the crop acreage than he is thinking about the increase of acreage. Secretary Wallace calls attention to this phase of the matter in a statement that 'there are many reasons why we should consider most carefully before encouraging any considerable expansion of land under cultivation during, say, the next three years. ...' "

Section 4.

MARKET QUOTATIONS.

rm Products

Nov. 3: Chicago December wheat sold below \$1 for the first time since October 1915; Chicago December corn dropped to new low since December 1910 on liquidation influenced by action in wheat. Chicago December wheat closed at 99 1/8¢; Chicago December corn 44 5/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.12; No. 2 hard winter wheat 98¢; No. 2 mixed corn 45¢; No. 3 white oats 30¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 30 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.02 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market lower, bulk of sales \$7.25 to \$7.70. Beef steers strong to 25¢ higher, medium and good beef steers \$6 to \$11.25. Butcher cows and heifers steady at \$3.50 to \$9.50. Fat lambs generally steady to strong at \$3 to \$3.30.

Chicago potato market weaker; other markets steady to firm. New York Round Whites steady at \$1.85 per 100 lbs. sacked. Maine Green Mountains in bulk up 5¢ at shipping points at \$1.41 to \$1.46. Baldwin Apples A 2 1/2 steady at New York shipping points at \$6.25 to \$6.50 per bbl.

Kansas City reports hay trade extremely weak account large accumulations on track. Feed markets somewhat easier. Offerings of wheat feeds fairly heavy from northwest.

Butter markets unsettled account less active buying interest. Cheese markets steady although actual trading not active. Spot cotton lower around 18.32¢ per lb. New York December future also lower at 18.43¢. (Prepared by Bur. of Mkts. & Crop Est.)

ustrials

oads

Nov. 3: Average closing price 20 industrials 73.98; average closing price 20 railroad stocks 72.70. (Wall St. Jour. Nov. 4.)

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Vol. III, no. 31.

Section 1.

November 5, 1921.

Tax Legislation The sales tax as a source of Federal revenue at this time was definitely rejected Nov. 4 by the Senate, but there was further evidence it was the purpose of Republican congressional leaders to bring it forth later as a means of raising funds to propose the "five-day" plan for adjusted compensation for former servicemen. The majority yesterday against the Smoot amendment to the tax revision bill, proposing a business sales tax of one-half of 1 per cent, was even larger than that last night against the Smoot 1 per cent manufacturers' sales tax. (Press, Nov. 5.)

Roads Bill The \$75,000,000 good roads bill for Federal aid in highway construction was enacted finally Nov. 4 and now goes to President Harding for approval. As finally approved, the measure continues the practice of giving Federal aid to the states which undertake road construction projects. (Press, Nov. 4.)

Warehousing Corn The Wall Street Journal to-day says in an editorial: "With the approval of the Secretary of the Department of Agriculture the War Finance Corporation is about to develop plans for the warehousing of corn on a large scale. Evidently this is a plan not to take supplies from the market and create a scarcity, but to save a large and unwieldy surplus. Such a plan should be helpful to the farmers and of benefit to the public. ... Two record crops in succession can mean nothing else than an unusual surplus, under ordinary conditions of consumption. What is to be done with it? Shall it be wasted or conserved? The question has been well answered by Prof. George F. Warren, now of the Department of Agriculture, who is an acknowledged authority in the economics of agriculture. In a recent study of farm products he pointed out that ample supplies of grain and hay should be held on farms in each year of excessive production. More attention, he said, should be given to storage and the financing of crops in years when the weather is unusually favorable, so that the unexpected production, which is often a calamity to the farmers, may be used to supplement short crops that are now almost equally injurious to industry.

"No economist or financier can disagree with this advice. Then, too, industry and finance are intimately connected with the corn market, because a low purchasing power of farm products is felt at once in all other circles. An illustration is to be found in the implement business. Heavy cuts in prices were made this year, yet farmers could purchase only a third of their usual supplies, according to the findings of the unemployment conference. ... There has not been a time in twenty years when the purchasing power of an acre of corn has been so low as it is now. Present indications are that by the time the crop movement is well under way this purchasing

power per acre will be less than 65 per cent of normal. The absence of this buying power is felt all along the line of manufactures. ... The measure of corn is full and running over. Save and store the overflow against the day when the measure will be short. Federal licensed warehouses offer the means of doing this in a way that will ultimately add to the farmer's purchasing power and benefit general business."

Section 2.

Agricultural Financing

The War Finance Corporation Nov. 4 approved advances aggregating \$612,000 for agricultural and live-stock business, through financial institutions in Minnesota, Colorado, Missouri, South Dakota, North Dakota, Georgia, Texas, and North Carolina. The Corporation also has approved an advance of \$250,000 to an exporter to finance the exportation of tobacco to China, and of \$18,640 to an exporter to finance the exportation of sugar mill machinery to South Africa. (W. F. C. press statement, Nov. 4.)

Business in Government

Edward T. Pickard, chief of the textile division of the Bureau of Foreign and Domestic Commerce, in an address on "Industry in Government," delivered Nov. 2 before the convention of the National Association of Cotton Manufacturers, said: "Those of you who have had opportunity during the past few months to observe the trend in administrative circles have been gratified to discover the increasing part that business men have in Government affairs. We see this evidenced in many branches of the Government, but especially in those branches having to do with the business or creative functions of the Government. ... For the first time the business man may come to Washington with assurance of finding some one who understands his individual problems and who will know how to place the resources of the Government at work in their solution. ..." (N.Y. Commercial, Nov. 3.)

Cheese Advertising

"The Wisconsin Cheese Producers' Federation has begun to tell the people of Milwaukee what quality grading and service mean in cheese. The message which they bring has been published in a manner to attract attention and bring respect and admiration for the most successful cheese producers' federation in the country. The federation sales manager secured the help of a professional advertising agency in Milwaukee and began the full page campaign in the daily press of that city recently. The brand which the cheese producers of Wisconsin are staking their reputation on is known as 'mello-creme.' " (The Wisconsin Farmer, Oct. 27.)

Corn as Fuel

1. "Kansas farmers in at least one locality according to a recent report are going to burn their corn for fuel. They estimate that at the present price for corn it is a cheaper fuel than coal. That may be true, but that does not justify the farmer in burning corn for fuel. In 1889 corn sold all over Kansas for 10 cents a bushel and many a farmer burned it for fuel. No doubt some of them were compelled to do so at that time because they could get no other fuel to burn. Within 10 months after the time when corn was selling at 10 cents a bushel, it sold everywhere in Kansas for 60 cents a bushel. It was poor economy then to burn corn for fuel and it is poor economy now." (Kansas Farmer and Mail and Breeze, Oct. 29.)

Corn as Fuel 2. The Breeder's Gazette for Oct. 27 says: "Several subscribers in Iowa and Nebraska have informed us that a number of farmers in those states are going to use some of their corn as fuel during the coming winter. It is claimed that these men cannot afford to buy coal or wood. Corn is not satisfactory or economical fuel. Iowa investigations prove that coal, selling now at approximately \$10 a ton in that state, would require to sell at \$20 a ton in order to justify using corn worth 47 cents a bushel as a substitute for coal. Obviously there is no economy in burning corn, but if it cannot be sold for 47 cents a bushel or any other price, and if farmers do not have the cash to pay for coal, how shall they take care of their fuel requirements? The Gazette recently pointed out that a substantial reduction in freight rates automatically would move immense quantities of corn from surplus corn zones to regions where it is in demand. The price of coal to the consumer would also be decreased, and cheaper coal and a market for corn would practically preclude the use of corn as a fuel. "

Dairymen's
League

In an editorial entitled "The Dairymen's League Deserves to Make Good," Oregon Farmer for Oct. 27 says: "Spokesmen for the League make no pretense at concealing the fact that the success of the league has been far less than was expected. No effort is made to cover up evidences of mismanagement in certain respects. There is no apparent desire on the part of the management as it exists to-day to keep dark the seeming fact that overhead expenses have been allowed to eat up much of the profit that should have accrued to the dairymen. A reorganization is now under way. A new management is taking charge. ... The league should be given a chance under its reorganization. ... If the Dairymen's League should be allowed to fail, cooperation in Oregon would be set back a quarter of a century."

Federal
Reserve Rate
Reduction

Completion of the general reduction of rediscount rates in all twelve Federal Reserve districts was announced Nov. 4 by the Federal Reserve Board with the approval of reductions in the Cleveland rate from 5 1/2 to 5 per cent and in the Minneapolis rate from 6 to 5 1/2 per cent. The rates in these districts are effective Nov. 7, while reductions in the other districts already are in effect. The new schedule of rediscount rates, which covers paper of all classes and maturities, is as follows: Four and one-half per cent, Boston, New York and Philadelphia; 5 per cent, Cleveland, Chicago, St. Louis, Kansas City and San Francisco; 5 1/2 per cent, Richmond, Atlanta, Minneapolis and Dallas. (Press, Nov. 5.)

Freight
Rates

Four western states, Kansas, Nevada, Arizona, and North Dakota, asked the Interstate Commerce Commission Nov. 4 to follow up its recent order reducing interstate freight rates on grain, grain products and hay approximately 15 per cent by making a similar reduction of rates within their borders. (Press, Nov. 5.)

Grain
Marketing

An editorial entitled "Grain Dealers Fight for Business," in Farm and Ranch for Oct. 29, says: "The present marketing system for grain, like Topsy, just grew up. It has been in operation for many years with an ever-increasing number taking toll before the product

reaches the consumer. The producers have had no other way of disposing of their grain except through grain dealers - the middlemen - and as this business proved profitable, their numbers increased until the route from producer to consumer became as crooked as a cow path through the brush. Now the growers are trying to straighten the route to the consumer and in doing so they must necessarily leave a lot of middlemen on the bends of the roads which have been cut off, and these men see where they may lose their investment and be put out of business. Therefore their fight against the Grain Growers' association is not only one of self-defense but one for self-preservation."

Live Stock in Argentina

"The live-stock situation in Argentina has been unsatisfactory for some time, and a certain group known as the Agrarian League of Argentina has seen in it an opportunity to urge upon the government, which is itself tinged with socialistic theories, that the existing depression and stagnation in the live-stock markets is due to the packing companies, both American and European. The agrarians have gone so far as to petition the government to include anti-trust legislation against the packers if an extraordinary session of congress is called." (The National Provisioner, Oct. 29.)

Milk Legislation

Dr. J. A. Kiernan, chief, Tuberculosis Eradication division, Bureau of Animal Industry, testified Nov. 4 before the House District subcommittee which is framing a pure milk bill for Washington, in favor of the tuberculin test in dairies as a safeguard to the public health. Representative Hammer, member of the subcommittee, placed in the record a letter handed him by Representative Reed, of New York, urging the tuberculin test. The writer of the letter was Dr. C. C. Pierce, acting Surgeon General of the Public Health Service, who said: "About 9 per cent of the deaths from tuberculosis in man is caused by the bovine tubercle bacillus, most of the victims being children. Raw market milk of the cheaper grade sold in most cities frequently contains bovine tubercle bacilli." (Press, Nov. 5.)

Packers and Brokers

Food products brokers at a meeting in Chicago Nov. 3, definitely lined up with the wholesale grocery trade of the country in the controversy which has arisen over the attempt to have the consent decree so modified that the Chicago meat packers may re-enter the canned foods distributing business. The executive committee of the National Food Brokers' Association, in a telegram sent to the Attorney General declared that it was "emphatically opposed to any change or modification of the so-called consent decree, entered against the meat packers." (N. Y. Commercial, Nov. 3.)

Water Transportation

Movement of 200,000 boxes of Washington apples to Gulf and Atlantic ports via the all-water route in November is expected to result from negotiations now proceeding. It is understood the Central Steamship and Commerce Company, of New York, offered the Yakima Commercial Club a rate of 14 cents a box less than that now quoted by overland carriers. (Los Angeles dispatch to Phila. Ledger, Nov. 3.)

Wheat Imports to Japan Stopped

Japanese banks and grain operators state that Japan will buy no more wheat on the coast until after January 1. (Seattle dispatch to press, Oct. 22.)

Section 3.

Department of
Agriculture

In an editorial entitled "Treason of the County Agents," The Grain Dealers Journal for Oct. 25 says: "The law creating the office of the county agent contemplates making him a community adviser in agricultural production, placing him in a position similar to that of the secretary or traffic manager of a commercial club. ... His duties end there. If he does less than this he fails to perform the service for which he is employed. If he oversteps this limitation of his activities he violates the law to which his office owes its being. ... He cannot legally tear down the interests of one part of the public in an attempt to build up the interest of another part. He is a law violator if he thus perverts his office, and because many county agents are attempting to tear down legitimate business enterprises under the guise of aiding in fantastic plans for direct marketing they are putting themselves in the same class with other law breakers and should be punished as such. ..."

Section 4.
MARKET QUOTATIONS

Farm Products

Nov. 4: Grain prices declined to new points early but later rallied on buying by commission houses. Corn trade narrow and featureless and governed by wheat. Chicago December wheat closed higher at \$1.01; Chicago December corn higher at 46 1/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.14; No. 2 hard winter wheat \$1.00; No. 2 mixed corn 47¢; No. 3 white oats 30¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 31¢; to farmers in Central North Dakota for No. 1 dark northern wheat 98 1/4¢; to farmers in Central Kansas for No. 2 hard winter wheat 85¢.

Chicago hog market active and higher, bulk of sales \$7.40 to \$7.75. Cattle slow, generally steady, quality plain; medium and good beef steers \$6 to \$11.25. Butcher cows and heifers \$3.50 to \$9.50. Fat lambs \$8 to \$9.25.

City potato markets generally slow and steady. New York Round Whites slightly higher at shipping points at \$1.85 to \$1.90 per 100 lbs. sacked. New York Baldwin Apples a 2 1/2 steady at shipping points at \$6.25 to \$6.50 per bbl. Danish type cabbage at shipping points \$28 per ton bulk.

Butter markets continue unsettled. Cheese markets steady.

Hay market lower in East but steady in Central West. Receipts light at Chicago; heavy at Cincinnati. Feed market dull. Lower grain prices causing lack of confidence.

Spot cotton lower at 18.33¢ per lb. New York December future also lower at 18.40¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Nov. 4: Average closing price 20 industrials 73.94 as compared with 83.48 corresponding day 1920; average closing 20 railroad stocks 72.49 as compared with 84.98. (Wall St. Jour., Nov. 5.)

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Vol. III, no. 32.

Section 1.

November 7, 1921.

Tax Legislation The Senate, November 5, rejected the Reed amendment to the tax bill proposing to enact the soldier bonus bill and retain the excess profits tax as a means of financing adjusted compensation for former service men. (Assoc. Press, Nov. 6.)

Taxation The New York Times Nov. 6 says in an editorial: "... The substitution of the sales tax for the excess profits tax would have imposed upon the consumers a tax, say, of \$3 in place of the \$20 now exacted from them by reason of the excess profits tax. That is approximately the proportion, but of the \$20 only a small part represents money paid into the Treasury. The rest goes to the manufacturers and dealers who pass on the profits tax 'loaded' with such additional charges as they are pleased to assess. That is the way the friends of the people serve them. The excess profits taxes could not be retained, the country would not have it. But the Senate put aside the more moderate surtaxes of the House bill and substituted its own schedule running up to a maximum of 50 per cent in the highest bracket. This is no relief at all, for persons having incomes above \$200,000, upon which the 50 per cent rate would apply, know how to escape all surtaxes by investing in tax-exempt securities. The brackets from 50 per cent down take away a great part of the income of the salaried man, of men engaged in business or in the professions, men earning money by their individual exertion. The money seized upon by these surtaxes is just that surplus out of which some the funds that keep business going, keep men employed, that pay for extensions and improvements; the funds, in short, upon the provident use of which depends the progress of the country's industries. ... The people would be benefited, the welfare of the country would be promoted, by fixing the maximum surtax even lower than it was fixed in the House bill. That would put a stop in a measure to the draining away of the wage funds and investment funds of the country into unproductive Government business. The levying of the sales tax concurrently with the reduction of the profits tax and the surtaxes would relieve the people. ..."

Tariff and Wheat An editorial entitled "Dollar Wheat" in New York Times Nov. 6 says: "The price of contract wheat on the Chicago market dropped last week to one dollar. What was it when Congress passed the Emergency Tariff bill putting a duty of 35 cents a bushel on wheat? It was nearly \$1.70. Even that was a low figure, comparatively. The friends of the farmers in Congress were alarmed by it. Something must be done to prevent the further decline of wheat. So the duty was clapped on, and the Western farmers were expected to be duly grateful to a Republican Administration. What will be their feelings when they see the low

price of last April cut almost in half by November, notwithstanding the miracle-working tariff imposed for their benefit? Even the farmer must now begin to see that vast economic forces have been at work which puny tariff tinkerings could hinder no more than a stick thrown into the water could check the flow of Niagara. ..."

Section 2.

Agricultural Financing

More than \$22,600,000 in credit has been extended to farmers and stockmen during the two and one-half months since Congress authorized the War Finance Corporation to make advances for agricultural and live-stock purposes, according to figures of that agency. Reports of the corporation's activities since August 24, when the agricultural and live-stock authority became operative, showed a total credit in excess of \$22,663,000 established with about eighty-two financial institutions located in nineteen States for the purpose of making loans to farmers and stock-raisers. The eighty-two advances made so far range from a few thousand dollars up to one of \$15,000,000 to a co-operative association in Minnesota, North and South Dakota, to assist in the marketing of grain. Funds for the advances, officials said, are obtained from the corporation's balance with the Treasury, which, at the time these operations were begun, amounted to about \$430,000,000. (Assoc. Press, Nov. 7.)

Agricultural Waste

"How Waste in Industry Robs your Purse" is the title of an article by Edward Eyre Hunt and George Martin in Farm and Fireside for November. The article, which is based on the report of the committee of engineers appointed by Herbert Hoover in January 1921 to make a study of waste in industry for the Federated American Engineering Societies, says in part: "The farmers of America, realizing that farming must be put on a business basis, have organized the American Farm Bureau Federation. The chief function of this organization is to wipe out the waste in farm marketing, thus giving the producer a fair price for what he grows, and the consumer a fair price on what he buys. Whatever you may think of the commercial world and its ways, the fact remains that it has had much more experience in industrial organization than the farming world has had; and intelligent farmers, who have for the first time seriously and successfully begun to organize their business, can well afford to take some leaves from the note-books of organized business. ... All this is preliminary to the suggestion that there is another leaf the A.F.B.F. can take from the book of business. That is to make a survey of all branches of farming, as industrial leaders have just made in industry, to determine how much waste there is in the national business of agriculture, who is responsible for it, and what can be done to wipe it out. Despite its centuries of experience in presumably efficient organization and methods, a perfectly staggering amount of waste has been uncovered in the industrial world. What, then, must be the conditions in agriculture, which never has been organized until the last few years? The problem of waste is a mutual problem between the farmer and the manufacturer. The line that all products take from producer straight through to consumer is straight, and strewn with waste of all kinds. The more it costs the farmer to get his products to the door of the manufacturer, and the more it costs the manufacturer to get the goods processed and back on the counter of the local store for the farmer and others to buy them. ..."

Beet Sugar Crop A reduction of 10 per cent to 15 per cent in their original estimate of about 960,000 tons for the domestic beet sugar crop this year is indicated by reports received from factories by the United States Sugar Manufacturers' Association. The association expects to publish a revised estimate shortly. (N. Y. Times, Nov. 6.)

Corn as Fuel New York Times Nov. 6 publishes a letter from A. E. Evans, Painter Wyo., which says in part: "In your issue of Oct. 16 you publish a communication from H. N. Des Marets, in which he brands as ridiculous a news story you had previously published that Nebraska farmers plan to burn corn this winter for fuel. ... Every farmer and stockman in the country will agree with the accuracy of your news report, for any one who has been through Nebraska this fall knows that thousands of tons of corn will be burned this winter. It makes good fuel, too, although it burns out stoves at a rapid rate. The farmers will do better for themselves in spite of the fact that they will have to buy new stoves in the spring. ..."

Industrial Waste Session Announcing that a five-day annual meeting which will bring together more than 2,000 engineers, educators, technologists and manufacturers from all over the country will be held in Dec. 5-9, the American Society of Mechanical Engineers made public a statement by Herbert Hoover showing the bearing of the investigation of industrial waste recently completed by the American Engineering Council of the Federated American Engineering Societies on the advance of American industry. "It reveals facts which may serve as a foundation for an advance in American industry. It has a special message for Government officials, financial, industrial and commercial leaders, labor organizations, economists, engineers and research groups, the general public and the press." (Press, Nov. 6.)

Milk Production in Britain "The Influence of the war on the Cost of Milk Production" is the title of an article in the Scottish Journal of Agriculture, for October by Arthur G. Ruston, lecturer in Farm Economics in the University of Leeds, England. The article contains a series of charts and tables which present the varying costs of milk production on several farms throughout Yorkshire, as collected by the Department of Agriculture of the University of Leeds.

Nitrate In submitting for publication a copy of the agreement entered into by the Chilean Association of Nitrate Producers and the London pool, the Chilean bureau of information of the consul general's office at New York states that it means the enormous stocks of nitrate will be more or less easily absorbed by the world market, thus readjusting the financial and commercial situation in Chile. (Jour. of Commerce, Nov. 3)

Packers and Grocers Permission to intervene in the so-called packers case was given the National Wholesale Grocers Association Nov. 5 by Justice Stafford, of the Supreme Court of the District of Columbia. A motion of the Government to strike out the order permitting the Southern Wholesale Grocers association to intervene was made recently, but was denied by the court. The court pointed out that the intervention is granted merely for the purpose of enabling the grocers to be heard in opposition to any change in the decree separating the packers from any outside industries not intimately connected with their packing business. The grocers are now protected by that decree. (Press, Nov. 6.)

Tariff

"The United States emergency tariff has seriously reduced trade between the United States and Canada. ... In the meantime, Canada is looking about for other markets. H. B. Stevens, newly appointed minister of trade and commerce, has opened an office at Vancouver for the promotion of trade with the Orient. Canada also is seeking to develop its trade with Mexico and Australia. Such development is facilitated by government steamship lines cooperating with the Canadian National Railway lines. ... Government steamships sailing for Australia are carrying full cargoes and a direct line to Mexico, it is announced, is soon to be put into service. A Canadian trade agency also recently opened in India." (Commercial West, Oct. 29.)

Tariff
Valuation
Plan

"In view of the prevalence of biased opinion on the subject of the American valuation plan of the Fordney tariff bill, the New York University Bureau of Business Research sent a questionnaire to 300 economists and all but one of the seventy-one who replied condemned the plan, it was announced Nov. 6. The economists believe that the plan is based on an unsound conception of foreign trade and that the United States, now being a creditor nation, would be seriously injured if it becomes law. The questions, it was said, were carefully framed to avoid any suggestion of bias. The replies represent twenty-three States, eight of which are in the Middle West, with Ohio, Wisconsin and Nebraska furnishing the largest quotas. Virtually all were of the opinion that the American valuation plan would decrease our foreign trade and increase the difficulty of administering the tariff." (N. Y. Times, Nov. 7.)

Taxation

Howard W. Beebe, president of the Investment Bankers of America, said in an address at the 10th annual convention of the organization, at New Orleans, Nov. 2: "Federal taxation in its present form constitutes the greatest menace to business to-day, and little relief can be expected from the bill now before Congress." (N. Y. Daily News Record, Nov. 3.)

Unemployment
Remedies

"In all the seventeen recommendations made by the recent unemployment conference for the solution of the idle labor problem not one contains the most practical and needed plan for immediate relief, namely, an equalization of price levels to reduce the existing differences between earnings and commodity prices in agriculture and those in other industries. The subcommittees on manufacturing and agriculture sensed this vital need and recommended it to the general conference. ... The manufacturers have shown a willingness so far to adjust their prices toward the level of those in agriculture to the extent that many of them have taken heavy losses along with the farmer. The retailer in many instances has not been so disposed. The average of retail prices is far above the prewar level and much out of line with the average prices for farm products. It is time for an evening up in these price levels. ... The adjustment in price levels is fundamental. Either high prices must be lowered or low ones raised. To accomplish it several measures all hinging one upon another will be most effective. First, there must be a substantial reduction in freight rates, and a lowering of distribution costs in general. In some instances wages must be lowered in proportion with the reduction in the cost of living. Reasonable credit must be provided for agriculture and industry to encourage production and orderly marketing." (The Nebraska Farmer, Nov. 5.)

Water
Transportation

1. "There are two sides to the transportation problem, but the injustice suffered these many years by the fruit shippers has put the grower into an attitude of everlasting antagonism so that it is hard to give simple justice to an institution which has, at times at least, been more or less shifty. A case in point: The recent offer to reduce freight rates on citrus fruits if citrus growers would discontinue water shipments. Another: Offer by the Western roads to make material reduction providing Eastern roads would participate in the reduction. This passing of the buck resulted, as anticipated, in failure to get any reduction. All of which is very enlightening but unsatisfactory. Meantime the citrus fruit shippers have committees at work formulating plans for a line of ships all their own." (California Cultivator, Oct. 29.)

2. "Plans are developing in California for a line of steamships to run between Los Angeles, through the Panama Canal to Boston, New York and Philadelphia. They will carry citrus fruits, and a part of the plan is to have the orange and lemon growers control a large share of the stock. ... It is not likely that many apples or peaches will be sent in this way, but we think the great bulk of the orange and lemon crop of Southern California will finally come by water. Later there will be shipments of cotton and alfalfa hay by the same route. ... Water shipments may make it possible for a New Jersey cow to make a profitable meal on Pacific Coast alfalfa." (Rural New Yorker, Nov. 5.)

Wheat
Exclusion
from Denmark

The Swedish agrarians are carrying out a strong propaganda in order to persuade the Government to stop the importation of American wheat, enormous quantities of which are now offered in the Swedish market at 40 kroner per hundred kilos, which is about 25 per cent cheaper than the Swedish product. Experts say that the Swedish production of wheat will be entirely ruined unless importation is stopped. The belief is current that the Government contemplates steps in this direction, which was hinted in Premier Branting's program when he took office. (N. Y. Times, Oct. 27.)

Section 3.

Department of
Agriculture

"Now and then someone still takes a dig at the county agent system, but these expressions are becoming rare. If some of the croakers could have attended the meetings held at Columbus last week they would have received a good baptism of the spirit that prevails when these leaders get together. ... These county agents display as much real intelligence and gumption as any body of men that one will meet. Each is a leader of the rural activities of his county, and that makes it necessary for each one to be a real part of the meeting when the crowd gathers. Able to address a crowd and at the same time to carry their end of a talk for two, they have to be on the job at all hours. These men are at home just about wherever they may be placed and the reaction that a bystander gets from one of their conferences is that agriculture is fortunate indeed to be able to command the services of such a fine group." (The Ohio Farmer, Nov. 5.)

Section 4.

MARKET QUOTATIONS.

Farm Products

During the week ended November 5, the grain markets had a heavy undertone and prices declined drastically until the last two days when there was more firmness. Chicago December wheat dropped 7¢ net; Chicago December corn down 2 1/2¢. Immense stocks of Canadian wheat, slow milling, flour and export demand were depressing influences.

Chicago hog prices advanced 15 to 25¢ per 100 lbs. Corn-fed steers and yearlings up 15 to 25¢; other classes weak to 25¢ lower. Stocker and feeder steers weak to 25¢ lower. Fat lambs and yearlings generally steady; feeding lambs up 15 to 25¢.

The butter markets were quiet and unsettled with demand dull for all grades. Storage butter movement slower. Domestic production heavy for season. Cheese markets steady to firm and generally unchanged.

Hay market in East lower, steady in Central West. Receipts light at Chicago but heavy at Cincinnati. Better shipping demand in farm markets. Feed market dull. Lower grain prices causing lack of confidence. No improvement in country demand. Supplies ample.

Spot cotton down 46 points. New York December future down 29 points.

Potato demand and movement slow in producing sections; markets slow and dull at shipping points. Most city markets steady to strong. Cabbage markets slow and dull; prices firm at shipping points, lower in eastern cities, steady to firm in middlewestern markets. New York Baldwin apples slightly weaker at shipping points. Onion markets steady to firm.

Nov. 5: Wheat prices lower early but undertone was better and prices rallied. Chicago December wheat higher at \$1.01 1/4; Chicago December corn higher at 46¢. In Chicago cash market: No. 2 red winter wheat \$1.14; No. 2 hard winter wheat \$1.01; No. 2 mixed corn 47¢; No. 3 white oats 32¢. Chicago May wheat closed at \$1.06 1/4; Chicago May corn 51 3/4¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 31¢; to farmers in Central North Dakota for No. 1 dark northern wheat 99 1/4¢; to farmers in Central Kansas for No. 2 hard winter wheat 85¢.

Potato markets for Round Whites generally firm. Haulings light at shipping points. Prices at shipping points: New York Round Whites steady at \$1.85 per 100 lbs. sacked; Maine Green Mountains up 5¢ at \$1.46 to \$1.51 per 100 lbs. bulk; New York Baldwin apples A 2 1/2 weaker at \$6.25 per bbl.; Danish type cabbage \$28 per ton.

Chicago hog market higher but closed slow, bulk of sales \$7.45 to \$7.85. Cattle, sheep and lambs practically unchanged. Medium and good beef steers \$6 to \$11.25; butcher cows and heifers \$3.50 to \$9.50; light and medium weight veal calves \$6. to \$11.50; fat lambs \$8 to \$9.25; yearlings \$5.50 to \$7.75.

Spot cotton lower at 18.31¢ per lb. New York December future higher at 18.45¢. (Prepared by Bur. of Markets & Crop Est.)

Industrials and
Railroads

Nov. 5: Average closing price 20 industrials, 73.91, as compared with 82.96 corresponding day 1920; average closing price 20 railroad stocks, 72.43, as compared with 84.08. (Wall St. Jour., Nov. 7.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 33.

Section 1.

November 8, 1921.

President Harding
Believes Business
Peril Passed

The Philadelphia Public Ledger to-day issues a statement in which it points out that President Harding has concluded from a survey of conditions presented by his advisers that progress is being made toward national prosperity. The survey of the Nation's economic condition now before the President includes the following: An increase in $1\frac{1}{2}$ per cent in employment during October, indicating that 200,000 workers found jobs; retail sales are picking up, according to reports to the Federal Reserve Board; cotton exports averaging nearly 400,000 bales monthly; interest rates generally at 5 per cent throughout the United States; the Government, now borrowing at $4\frac{1}{2}$ per cent, is in a position to begin the working out of plans for handling seven and one-half billions of long-term obligations that mature next spring. Secretary Wallace is understood to have told the President the financial condition of the Nation's farmers now is more favorable than at any time in a year; Eugene Meyer, Jr., managing director of the War Finance Corporation, has made a similar report to the White House concerning the live-stock industry; Secretary Hoover reported that conditions in foreign markets are vastly improved as far as American trade is concerned; also that industry is now on a much more stable foundation than six months ago. The budget, pared down to a total of expenditures of less than \$4,000,000,000 for 1923, is nearly complete as a result of the work of Director Dawes and the President.

Exports Benefit
Farmers

In another special statement, the Philadelphia Public Ledger to-day says: "Six million farm owners and managers of the United States now are benefiting more than any other business group from the expanding foreign trade of the United States, it is disclosed in an examination of reports to the Department of Commerce. The reports show that, in a year, volume of exports of rice increased 1350 per cent. Increases in volume of other exported farm products are as follows: Barley, 100 per cent; corn, 1700 per cent, and rye 50 per cent. An export movement of wheat that broke records of years' standing was experienced in August. Farmers are sharing indirectly in the benefits from exportation of many manufactured foods, like pickled beef. The exported volume of this commodity increased nearly 100 per cent in the year, while shipments of oleo oil advanced more than 100 per cent. Ham shoulders exports more than doubled in volume and lard exports increased 125 per cent. Government officials say these increases in exports of farm products signify better than most economic barometers the progress made by American business on the road to prosperity. The rural population, they say, represents 45 per cent of the nation's buying public. It is true total value of farm products exported this year is below that of a year ago. The important factor, officials say, is the increase in the tonnage of exports rather than in value. ..."

Tax Legislation

"The much-revised tax-revision bill was finally passed by the Senate at 1.35 A.M. to-day, after a session lasting more than fifteen hours. It must still run the gauntlet of Senate and House conferees before it reaches the President. As now drawn the bill is estimated by Treasury experts to yield approximately \$3,250,000,000 for the fiscal year ending next June 30, or \$200,000,000 less than the existing law. If all the changes proposed become effective, however, the measure ultimately will reduce the nation's tax bill by approximately \$750,000,000 a year." (Assoc. Press, Nov. 8.)

Tariff
Legislation

Wool rates in the permanent tariff bill as passed by the House were attacked Nov. 7 as failing to give the protection necessary to save the sheep industry from destruction, in testimony before the Senate Finance Committee, which resumed hearings on the tariff after more than two months. Witnesses asserted the proposed duties would discriminate in favor of textile manufacturers as against wool growers. Senator Gooding asserted that American textile makers were using "cheap South American carpet wools" in the manufacture of clothing, and that further use of such wools would be possible unless provisions of the House bill restricting duties by use of an ad valorem equivalent were stricken out. (Press, Nov. 8.)

Section 2.

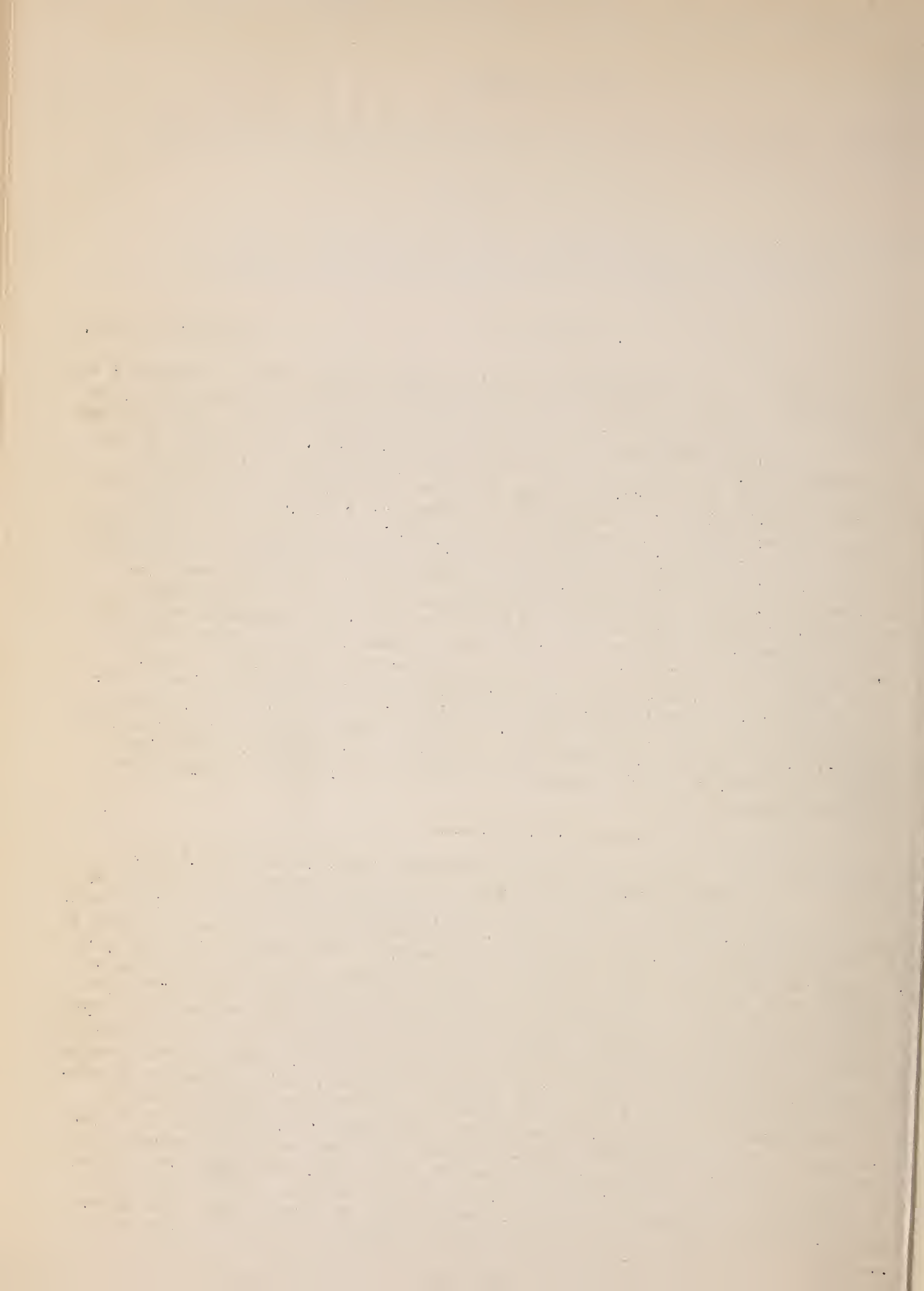
Agricultural 1.
Financing

The War Finance Corporation has approved advances, aggregating \$553,750, for agricultural and live-stock purposes through financial institutions, in Nevada, Iowa, Nebraska, Wyoming, South Dakota, North Dakota, Texas and Georgia. The corporation also has approved an advance of \$300,000 to finance the exportation to Great Britain of tobacco in North Carolina. (W.F.C. press statement, Nov. 5.)

2. The War Finance Corporation has approved advances, aggregating \$647,000, for agricultural and live-stock purposes through financial institutions in Wisconsin, Wyoming, Illinois, Iowa, Georgia and Texas. The corporation also has approved a loan of \$1,000,000 to a cooperative association in Arkansas on rice. The corporation has been informed that the bankers and business men of Colorado have organized a new loan company, with a subscribed capital of \$500,000, to assist in financing the live-stock industry of the State. (W.F.C. press statement, Nov. 7.)

Agriculture

"There is no matter to-day, there is no question before us, it seems to me, that is more vital than sustaining agriculture, than keeping those 7,000,000 factories running, not only to-day, not only tomorrow but next year and the year after and the year after that yet. Whenever we save a herd of live stock, whenever we keep a man on the farm, whenever we offer them hope and encouragement and a square deal, then we have not only helped the situation in its immediate aspect, but we have contributed to a continuous stream of orders from that source. In other words, a permanent agriculture, a profitable agriculture, to my mind, is the salvation and the hope of business, and I want to say to you that there is no work in my judgment, that is being done to-day that means more to the business element of the country, to the laboring element of the country and to the agricultural element of the country, than the work being done by the War Finance Corporation." (From address of Edwin T. Meredith, before Advertising Council Association of Commerce, reprinted in American Lumberman, Nov. 5.)



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Agriculture
and Industry

An editorial in Wall Street Journal, Nov. 7, says: "While the conference at Washington did not settle the question of unemployment, it calls attention to some fundamental facts in the situation. Among these are the relations between agriculture and industry, which are little appreciated. The causes for depression, and therefore unemployment, are world-wide. But, in the opinion of members of the committees whose reports are being published, much of the industrial distress and unemployment is caused by the spread between the prices the farmers receive and those they are obliged to pay. Anyone who studies crop conditions and prices can readily see that the gross farm income this year will be far below that of last season. Consequently the farmer's purchasing power is less. This would not be so if other prices were reduced in such a proportion as to give an equal exchange value for the products of the farm. But they are not. On Page 25 of Bulletin 999, issued by the Department of Agriculture, is a vivid illustration of this fact." After quoting department statistics showing the purchasing power of representative farm products in June of this year, the editorial continues: "One of the conference committees confirmed this statement. ... Our farm industry furnishes 40 per cent of the consuming power of the country. A restriction of that consumptive power must inevitably make itself felt in unemployment. Here is something for capital and labor to consider whenever they make a stand against a lower price level. As the committee said: 'In the interest of the great labor-employing industries everything possible should be done to place agriculture on a proper ratio of exchange of products with other industries!'"

A. F. B. F.
Convention
Program

American Farm Bureau Federation Weekly News Letter for Nov. 3 contains the program of the Third Annual Meeting of the Federation at Atlanta, Ga., Nov. 21-23.

Corn
Warehousing

"Helping Farmers to Hoard" is the title of an editorial in The Journal of Commerce for Nov. 7, which says: "A recent announcement from the War Finance Corporation is to the effect that that body will shortly begin the development of plans for warehousing corn on a large scale to enable farmers to hold their grain for better prices than are now offered. It is understood in well-informed quarters in Washington that the corporation will, wherever it is thought to be necessary to help the producer to obtain profitable prices, advance funds for the storage of farm crops generally. This announcement and the general policy now said to have been decided upon by the corporation are of more than passing interest and importance. They mean that the Federal Government is frankly going into the business of providing the farmer with credit not for normal marketing or crop moving purposes but to enable him to speculate upon future market conditions if not to aid him in attempting to control the market. Such action cannot well be too strongly condemned from every standpoint - except possibly the political aspect. If the contemplated plan is widely taken advantage of by the farmers there is every prospect of heavy losses both to the Treasury and the producer. If the Government wishes to be of real service to agricultural interests let it proceed to adopt a reasonable tariff policy, go to work in dead earnest to cut down expenditures, enact a sane tax law and develop a sound attitude and prompt action in relation to foreign debts."

Farm Leaders
and Rail
Wages

In an editorial entitled "Shippers Pay Railroad Wages," Wallace's Farmer for Nov. 4 says: "We can not understand why some leaders of farm organizations are throwing their influence in favor of compromising the dispute between the railroad workmen and the railroads, nor why they seem to be willing that the present wages should remain as they are. Instead of doing this these farm leaders should insist upon a hearing before the Railroad Wage Board and should tell that board in a most emphatic way that they are interested parties, that they are the people who are paying these unreasonably high wages, and that they can not afford to do it any longer. There is too much vacillation, compromising, pussy-footing, by some of these farm leaders. They are playing their parts too feebly. They need a little more iron in their blood and a little more stiffness in their back-bones."

German
Competition

The low wages of German workers and the underbidding by Germany against the manufacturers was stressed by W. Irving Bullard, treasurer of the World Cotton Conference, at the Nov. 3 session, at Boston, of the National Association of Cotton Manufacturers. Mr. Bullard said: "The German situation is of utmost importance to every man and woman in the country." (N. Y. Daily News Record, Nov. 4.)

Live-Stock
Marketing

A stabilized market for live stock is the aim of the orderly marketing plan to be submitted by the Farmers' Live Stock Marketing Committee to the ratification conference of live-stock producers in Chicago on Nov. 10. The plan would set up through the board of directors of the National Live-Stock Producers' Association machinery for orderly marketing of live stock. The report to be submitted at the ratification conference, which includes "Essentials of an Orderly Marketing Program," is published in American Farm Bureau Weekly News Letter, Nov. 3.]

Tariff

An editorial entitled "Farmers and the Tariff" in The Wall Street Journal for Nov. 3 says in part: "Over a course of years an average of 25 per cent of farm production goes to foreign markets. In many important crops the proportion is larger. Nearly half the wheat crop was exported last year. Let the wheat producer ask himself what he would do should the market be closed for 50 per cent of his crop. About 60 per cent of the cotton goes to foreign countries. There are some types of tobacco that depend almost entirely on foreign markets. But come right down to the average. Shut off the markets for a fourth of the agricultural products and what will be the result?"

Tobacco Pool

Seventeen thousand farmers in Virginia are reported to have signed the agreement to pool their tobacco crops for a period of five years, beginning with the 1922 crops. The agreement also carries with it a pledge to arrange the acreage according to prearrangement. (Lynchburg dispatch to press, Nov. 6.)

Wool in
Canada

Canada still remains the chief market for Canadian wool, according to the latest communication from the Canadian Cooperative Wool Growers. Sales made by this association to date already equal the total disposed of a year ago and by far the largest quantity of this has gone to domestic mills. (Jour. of Commerce, Nov. 4.)

Section 3.

Department of
Agriculture

"The declaration of Henry C. Wallace, Secretary of Agriculture, that western farmers would find it profitable to burn corn for fuel this winter and that large quantities probably would be consumed for this purpose was characterized as 'unfortunate' Nov. 7 by J. C. Mohler Secretary of the Kansas State Board of Agriculture. 'The statement is unfortunate in that by inference it would seem to encourage the use of this premier foodstuff for fuel,' said Mr. Mohler. 'Corn is a chief element in the maintenance and fattening of live stock, and considering its efficiency in the rations for live stock, it cannot be used to greater advantage than as a foodstuff at the present low prices. It appears to me a large carry-over when corn is cheap would be judicious as a protection against the possibility of a short crop next year. To destroy the value of coal by substituting corn as fuel and depriving the world of the services that corn may render as feed and food is ridiculous. The whole tendency, in a broad way, is to increase the cost of living and to add to unemployment.' " (Topeka dispatch to Phila. Ledger, Nov. 8.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 7: Wheat active and higher on good class of buying. Visible supply wheat 56,595,000 bushels, an increase of 2,261,000 bushels for week. Corn trade light and affected by wheat. Visible supply corn 18,901,000 bushels, a decrease of 44,000 bushels for week. Chicago December wheat closed higher at \$1.03; Chicago December corn higher at 46 5/8¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.16; No. 2 hard \$1.03; No. 2 mixed corn 47¢; No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 31¢; to farmers in Central North Dakota for No. 1 dark northern wheat 97 3/4¢; to farmers in Central Kansas for No. 2 hard winter wheat 87¢.

Chicago hog market lower, bulk of sales \$7.25 to \$7.60. Better grades beef steers and yearlings strong; medium and good beef steers \$6 to \$11.25; butcher cows and heifers \$3.50 to \$9.50. Fat lambs down 25¢ at \$6.75 to \$8. Yearlings \$5.50 to \$7.50.

Potato markets steady to firm. Prices at shipping points: New York Round Whites steady at \$1.85 per 100 lbs. sacked. Maine Green Mountains, in bulk, steady at \$1.46 to \$1.51. New York Danish type Cabbage steady at \$28 per ton bulk. Mixed A and B 2 1/4 Baldwin apples \$1.70 to \$1.75 per bus.

Hay market generally weak because of light demand and relatively large receipts. Feed market dull; demand light; few changes in prices though easier tendency is noted.

Butter markets weak at lower prices. Cheese markets irregular but steady.

Spot cotton unchanged at 18.31¢ per lb. New York December Future unchanged at 18.45¢. (Prepared by Bur. of Mkts. and Crop Est.)

Industrials and
Railroads

Nov. 7: Average closing price 20 industrials 74.20, as compared with 79.94 corresponding day 1920; average closing price 20 railroad stocks 72.70, as compared with 81.42. (Wall St. Jour, Nov. 8.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 34.

Section 1.

November 9, 1921.

Tariff Bill After amending the emergency tariff bill, already passed by the House, so as to continue it "until otherwise provided by law, the Senate Nov. 8 passed it and sent it back to the House. (Press, Nov. 9.)

Sheep Industry Sheep raisers told the Senate Finance Committee Nov. 8 that Protection Urged unless adequate protection for their industry is granted it would be folly to spend further Federal funds on irrigation projects, as it would be useless to provide grazing lands for sheep and cattle that can not be sold. (Press, Nov. 9.)

Thorne Recommends Among other recommendations to the Senate committee investi-
Rail Wage gating the railroad situation, Clifford Thorne, general counsel
Reductions of the American Farm Bureau Federation, Nov. 8 recommended re-
duction of railroad employees' wages and further explained his suggestion for the repeal of the 6 per cent rate provisions. (Press, Nov. 9.)

Alaskan The Senate committee on territories and insular possessions
Legislation Nov. 8 began consideration of legislation to consolidate Govern-
ment activities in Alaska. (Press, Nov. 9.)

Tax Legislation "The breach in the ranks of House Republicans over the ac-
ceptance of the Senate maximum income surtax rate of 50 per cent continued yesterday to widen. Leaders sought to defer the fight at least until after the rewriting of the bill by the conferees gets under way, but whether negotiations to that end which were opened with the 'insurgents' would be successful remained to be decided." (Associated Press, Nov. 9.)

Tariff Several large trade associations have written Chairman Pen-
Legislation rose, of the Senate Finance Committee, urging that the committee's decision to establish the American plan of valuing imported prod-
ucts be set aside pending further hearings on the plea that the proposed American val-
uation plan will increase prices. (Press, Nov. 9.)

Muscle Shoals Arrangements were completed Nov. 8 for a conference Nov. 18,
Conference between Henry Ford and the Secretary of War, with respect to the Muscle Shoals plant. (Press, Nov. 9.)

Section 2.

Agricultural
Blocs

An editorial in The Farmer (St. Paul) for Nov. 5 says: "A business men's publication known as Industry, published at Washington, has been using all possible means for many months to discredit the farm bureau movement. ... Sensible and far-sighted business men have failed thus far to see any detriment to the country in an orderly and constructive type of rural organization such as the Farm Bureau movement has proven itself to be. In fact, far-sighted business men welcome such a movement. Failing to halt the work of the American Farm Bureau Federation the editor of Industry has now turned his attention to fighting the so-called agricultural 'bloc,' which is merely a group of Representatives and Senators who are united in their efforts to put through certain desired legislation affecting agriculture. ... In its misrepresentation of the American Farm Bureau Federation and in its attack on the agricultural bloc, we do not believe that such business magazines as Industry reflect the views of business men who are coming to understand that agriculture can come to its own only through the power of constructive organization of rural affairs. Organized business has been represented in Congress for years and has dominated all national legislation. That is what is the matter with agriculture to-day. More power to the agricultural bloc!"

Cooperative
Marketing
Legislation

"The right legally to market farm products cooperatively has been denied the farmers through the interpretation of the Clayton amendment of the Sherman anti-trust law, whereas, I do not believe it was the intention of Congress when the law was enacted to embarrass farmers, throw them into courts and into jail, and harass them through tedious, costly court proceedings. As long as there is this divided interpretation of the Clayton amendment the farmers will continue to fight for a law which will make it possible for their cooperative marketing agencies to function without breaking the law. ... This right to market cooperatively is granted by many other countries, and outside of a few members of the Senate Judiciary Committee, I know of very few people who are averse to recognizing the value of cooperative marketing and the passage of the proper laws. When we get down to bedrock arguments there is very little, if any, difference between a corporation with its hundreds and thousands of stockholder members and the cooperative marketing association with its members." (From article entitled "Cooperative Marketing Hog-Tied," by Gray Silver, in New England Homestead for Nov. 5.)

Corn as Fuel

"In spite of protests that have come from some quarters, corn is being universally used as fuel in Moody county, South Dakota, at the present time. Not only on the farms, but in many homes in Flandreau, corn is being burned in large quantities and with good results. Farmers contend that they have a perfect right to sell their corn as fuel, owing to its low value on the grain market. Averaging 60 bushels to the acre, the corn, if sold at the elevators, will bring them but \$9 an acre at present market price, \$3 less than the actual cost to produce. When sold for fuel, the corn brings the farmers a profit, they maintain." (Flandreau, S. D., dispatch to Commercial West, Nov. 5.)

Freight
Rates

1. Northern Potato Traffic Association protests against freight rates on potatoes from Minnesota, Wisconsin and Upper Michigan to Central and Trunk Line territories. (Press, Nov. 5.)

Freight Rates 2. Holding that the reduction in live-stock rates recently ordered by the Interstate Commerce Commission left the heart of the live-stock producing region almost wholly unaffected, the American Farm Bureau Federation, through its counsel, Clifford Thorne, Nov. 8 asked the commission to extend the reduction to short hauls. The reduction recently ordered amounted to 20 per cent on hauls where the rates exceed fifty cents. (Press, Nov. 9.)

Freight Rates on Fruit "Heretofore we have called attention to the penalizing effect of railroad rates on the shipment of fruits and vegetables. Western and southern growers enjoy much lower rates to the eastern markets than nearby producers. For instance, it now costs no more to ship a car-load of peaches from Georgia to Cleveland than from Western New York to Cleveland. New York, Pennsylvania, New Jersey and other eastern growers are forced to pay a first-class rate whereas the southern and western shippers have a rate equal to third-class. The injustice of this with respect to peaches was recognized by the New York state public service commission, which gave peach growers of New York a peach rate equal to third-class. This decision saves the New York state peach industry about \$35,000 annually but this rate does not go far enough." (American Agriculturist, Nov. 5.)

Game Protection in Oregon One of the largest remaining herds of antelope in the United States is threatened with extinction, according to R. P. Holland, Vice President of the American Game Protective Association. Mr. Holland states that reports have been received by the association that sheep herders have been killing large numbers of antelope in the State of Oregon near the Nevada line for fear that the Government will establish a game refuge in that section, thus dispossessing sheep men of their range. The American Game Protective Association has wired Governor Olcott of Oregon asking for full information as to the condition of the antelope herds and petitioning the Governor to exert every influence to protect properly the remaining animals. (N. Y. Times, Nov. 9.)

Game Refuges in Minnesota During the year sixteen new game refuges have been established in Minnesota, five which would have expired this fall were re-established, and additions have been made to several others. The total number of refuges is now 55, exclusive of state parks, with an aggregate area of 2,557,430 acres. Thirty-eight counties have refuges. During this season particular attention has been paid to the establishment of refuges for prairie chickens. ... Deer need more protection than the law affords, and they have been provided with a number of new refuges of considerable size in suitable territory. (Commercial West, Nov. 5.)

Grain Marketing "The grain dealers in their fight against farmers' cooperative marketing aim now to line up the small county weeklies and daily papers against the farmers' movement. The plan is to send syndicated articles to the press in all parts of the country. The grain dealers organized a \$250,000 fund last summer to carry on this propaganda. What part of that sum has been obtained has never been announced. But going out from their headquarters now is a series of articles, the editor of the paper appealed to being informed that he may have the exclusive right of publication without cost. The first of these

articles discusses 'Buying versus Selling.' It starts out defining the cooperative societies and ends up by endeavoring to show that the purpose of the farmers' movement is to destroy any surplus above the country's needs. ... To deceive the reader is the method of approach ... We mention this matter only to show to what depth these organized middlemen will descend in order to defeat farmers in their aims and purposes of securing better marketing facilities." (American Agriculturist, Nov. 5.)

Implement
Sales in 9th
Reserve
District

"Sales of agricultural implements have been at a low ebb this year as compared with last. The sales during the nine months ending Sept. 30 totaled 55 per cent less than during the same months last year. There has been a remarkable change, however, in September. The September sales were 46 per cent larger than a year ago and 34 per cent larger than in August. ... It is evident that the recent crop has some buying power." (From Oct. 28 review of business conditions in Ninth Federal Reserve District.)

Milk
Legislation

"The fight in the various eastern state legislatures the last season to put through dairy bills which would promote the health of our cities and increase the prestige of dairymen, will be up again this season with renewed vigor. ... We have passed far enough into the reconstruction period following the war to get down to business on these matters of public welfare, health and protection to the farmers' interest. Emergency legislation and temporary aid is not expedient. All readers of these columns know that cocoanut oil and other milk substitutes are a serious menace to public health and really fatal to small, growing children. Also, without protection against the inroads of unscrupulous food manufacturers, the dairymen will not be able to put their products upon the market as cheaply as if they do not have to meet such harmful competition." (American Agriculturist, Nov. 5.)

Prices

Although wholesale prices have dropped 45 per cent since 1920, the retail cost of living has dropped only 18 per cent, according to a statement made by Prof. W. F. Ogburn, of Columbia University, before the second conference on Christian Principles in Industry. ...

"There has been a marked fall in prices since 1920," said Professor Ogburn. "This fall in prices has been most noticeable in wholesale prices where the index numbers declined from the high point of 272 to 152, a decline of about 45 per cent. This does not mean that the prices to you and to me as consumers have fallen nearly 50 per cent, because they have not. The fall in retail prices is the index for the fall in the cost of living to the average householder, and the cost of living has on the average fallen only about 18 per cent." (N. Y. Times, Nov. 8.)

Wheat Imports
in Spain

The Spanish Minister of Finance has laid on the table the bill to suspend the admission of imported wheat into Spain. (Press, Nov. 9.)

Wheat Purchase
in Canada

Canadian wheat estimated at 2,000,000 bushels has been purchased by New York agents for the Greek Government, it was learned Nov. 8. The financing will be done through New York. The terms of the purchase call for inspection at United States seaports, so that the port of Montreal will not benefit by the transaction. (Montreal dispatch to Phila. Ledger, Nov. 9.)

Wool

"The fundamental position of the wool market is steadily strengthening. So long as the U. S. Government and the "Bawra" (British-Australian Wool Realization Association) continue to auction surplus stocks, any material rise is out of the question. But the better grades of wools are being taken up, and we think the end is in sight. Low grade "Bawra" wools will clutter the market through 1922. There is no need of rushing purchases, but the day will come when present prices will look absurdly low. The way is being prepared for a substantial advance." (United Business Service, Nov. 5.)

Section 3.
Department of
Agriculture

In an editorial on "Rules for Livestock Trade," The National Stockman and Farmer for Nov. 5 says: "There is some speculation as to what will be done about rebating, an evil that the exchanges have faced and fought a long time. If cooperative commission companies may make patronage dividends, which are equivalent to rebates, may other commission houses make rebates in order to compete? And if they may make such rebates will official rules intended to prevent the evils which attend rebating actually prevent them? A delicate and difficult problem confronts the Administration here, and there are others. It is generally expected that a readjustment of rates and charges will be among the first things considered when the law goes into effect. Some readjustment would have been made before this but the fear that further changes would be made anyhow has deferred action."

Section 4.

Farm Products

MARKET QUOTATIONS.

Nov. 8: Chicago grain market had firm undertone. Country wheat offerings light. Milling demand only fair. Flour demand slow. Corn advanced with wheat. Exporters seek corn and some business done at seaboard. Chicago December wheat closed higher at \$1.04 1/2; Chicago December corn higher at 46 3/4¢. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.17; No. 2 hard winter wheat \$1.04; No. 2 mixed corn 46¢; No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 32¢; to farmers in Central North Dakota for No. 1 dark northern wheat 99¢; to farmers in Central Kansas for No. 2 hard winter wheat 87¢.

Chicago hog market lower, bulk of sales \$6.80 to \$7.10. Beef steers, she stock and bulls mostly 15 to 25¢ lower; medium and good beef steers \$5.85 to \$11.25. Yearlings about steady. Stockers and feeders steady to 15¢ lower. Calves down 50 to 75¢. Light and medium weight veal calves \$5.75 to \$10.75. Fat lambs \$8 to \$8.10.

Chicago potato market stronger with other city markets steady to firm. Prices at shipping points: New York Round Whites steady at \$1.85 per 100 lbs. sacked. Maine Green Mountains up 5¢ at \$1.51 to \$1.56 per 100 lbs. bulk. New York Danish type cabbage steady at \$28 per ton bulk.

Spot cotton unchanged at 18.31¢ per lb. New Orleans futures higher at 17.93¢. (New York cotton market closed account Election Day) (Prepared by Bur. of Mkts. & Crop Est.)

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Section 1.

November 10, 1921.

Good Roads Bill

The Good Roads bill, carrying an appropriation of \$75,000,000 for road improvements apportioned on maintenance provisions by the states, was signed Nov. 9 by President Harding. (Press, Nov. 10.)

Commenting upon the signing of the Townsend bill, a special article by H. N. Price in The Washington Post to-day says in part: "The Administration is making good in its effort to minimize unemployment in the United States. ... This law will make available for highway construction in the next seven or eight months, in cooperation with the States, more than \$150,000,000, and will provide employment for more than 275,000 men. It is the act indorsed by the conference on unemployment. Federal aid roads under construction on October 31 were giving employment to about 275,000 men, either directly in actual road construction or indirectly in the production and transportation of the materials which enter into the work. The act signed yesterday will keep these men at work, so far as weather conditions will permit, and thereby prevent the unemployment situation from becoming more serious, and ultimately will help largely in the solution of the problem. Without the new appropriation, many of the States would soon have been forced to curtail their work for lack of money. ... "

Alaskan Policy

The Senate Territories Committee has under consideration Senator New's bill for the coordination of all Government agencies in Alaska, which, he said, was introduced in accordance with the President's ideas. (Press, Nov. 10.)

The Associated Press to-day quotes the Secretary of the Interior as saying, before the Senate Territories Committee, yesterday: "I am not violating any confidence when I say that it is the President's policy to open up Alaska, and that he intends to direct all possible effort to that end. I had stated to the President that if it was his policy to develop Alaska, then it was going to be necessary to coordinate the activities of the different departments and bureaus having to do with Alaska, and that if it was not his plan to develop the territory and he intended to permit present arrangements to continue, I would devote my attention to other matters. ... Reduced as much as the question can be," he added, "I am convinced that the Forest Service of the Department of Agriculture should be added to the Interior Department, or the functions of the latter department transferred to the Department of Agriculture. I intend to urge one course or the other."

Government forests in Alaska contain enough pulp wood to supply without exhaustion one-third of the future paper requirements of the United States, William B. Greeley, Forester, told the committee.

W. C. Henderson, assistant chief of the Bureau of Biological Survey, explained the work of that bureau in Alaska in developing fox and marten farms, which, he asserted, were proving successful.

Alaskan Railroad Bill A favorable report was ordered Nov. 9 by the Senate Territories Committee on the House bill appropriating \$4,000,000 additional for the completion of the Government railroad in Alaska. (Press, Nov. 10.)

Tariff Bill The Senate Finance Committee Nov. 9 concluded hearings on the wool schedule of the permanent tariff bill. Live stock and poultry will be taken up to-day. (Press, Nov. 10.)

Tax Bill House leaders Nov. 9 arranged to send the tax bill to conference Nov. 10 without instructions, but the managers before agreeing to the increased surtaxes in the Senate bill will ask the House for instructions. (Press, Nov. 10.)

Section 2.

Agricultural 1. The War Finance Corporation has approved advances, aggregating Financing \$536,500, for agricultural and live-stock purposes, through financial institutions, in Montana, Indiana, Wisconsin, Nebraska, Iowa, North Dakota, South Dakota and Georgia. The corporation also has approved an advance of \$1,250,000 to a Cooperative Association in California on rice. (W.F.C. press statement, Nov. 9.)

2. "Farm and Ranch believes that there is a future for live-stock farming and for other forms of diversified agriculture. It does not seem possible that those industries which provide the food that we eat and the clothes that we wear will be allowed to languish. We do believe, however, that Government loans, or loans from pools formed by banks, are of temporary benefit only; that the live-stock and agricultural industries must be made profitable through intelligent cooperation in both production and marketing. The time is past when any person, no matter what he grades in intelligence, can go out and scratch the soil with a stick and produce a bountiful crop. The time is here when the farmer or live-stock man who succeeds must use his head as well as his hand, and through proper breeding, proper care of the soil, intelligent selection of crops and approved business methods in selling, make his books show a cost-plus at the end of the season. Liberal credit to the man who works blindly and without purpose only hastens the day of final accounting." (Farm and Ranch, Nov. 5.)

Agriculture and Industry A comprehensive article entitled "The Balance Between Agriculture and Industry," by Prof. Robert J. McFall, Massachusetts Agricultural College, in The Annalist for Nov. 7, reviews the economic history of agriculture during the last half century, and presents several comparative commodity tables from 1913 to 1921. The article says in part: "Since the Great War disturbed economic conditions in the world many changes have come in both prices and output of our agriculture and industry. The violent upheaval in prices affected agricultural and industrial products alike until the postwar boom of 1919 failed to carry farm products to such relatively high price levels as the products of the factories, and the recent depression has sent them to much lower price levels than those of industrial commodities. Perhaps the

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first severance of the price paths of these two great classes of products was the index of the underlying unsoundness which is now costing us such hardships. A decline in the productive capacity of industry would produce such conditions and would be a counterpart to the relative over-development of agriculture which culminated in the hardships of the '90s. It is very evident that the tremendous decline in agricultural values has had a staggering effect upon industry, for such a violent fall in the price of the commodities for sale by the whole agricultural population of the earth has destroyed the purchasing power of industry's best customer. Was this fall in price the cause or effect? We hope to make it clear that it was mainly an effect, and that its casual propensities were secondary - although powerful."

Banana
Growers
Organize

The Florida Banana Growers' Association was organized at a meeting held in Tampa, Oct. 27. Data furnished by those attending the organization meeting showed that there are over 200 commercial growers of bananas in Florida at present. Banana culture can be made exceedingly profitable, even with the present disorganized manner of marketing, it was stated, but with some sort of organized marketing methods the limits are practically boundless. (The Florida Grower, Nov. 5.)

Beef Prices

"The average wholesale price of carcass beef is now back to the level prevailing 1919, according to a review of the meat and live-stock situation during October, issued by the Institute of American Meat Packers. Average wholesale price of carcass beef in 1914 approximated twelve cents, the report says, while at the end of October, 1921, it was between eleven and a half and twelve cents, some grades selling higher and others lower, it is stated." (Press, Nov. 10.)

Corn as Fuel

Corn in the field is said to be offered at 10 cents a bushel by growers in the vicinity of Rush Springs, Okla. The market price at the railroad there is 25 cents. Buyers say that it costs over 30 cents a bushel to pay freight on corn from Rush Springs to Fort Worth, a distance of less than 150 miles. Farmers in Lamesa and Dawson counties in Texas are reported using corn for fuel, saying that coal costs them \$14 and \$15 a ton delivered and that they get only about \$8.50 a ton for corn. (Oklahoma City Dispatch to Modern Miller, Nov. 5.)

Cotton

"Unless the evils that beset cotton production in the United States are corrected, the percentage of the world's cotton grown in foreign countries is likely to increase materially, to the detriment of the cotton industry in America in all its phases. This note of warning was sounded at New Orleans, Nov. 8, by Andrew McSoule, president of the Georgia State College of Agriculture and Mechanic Arts, at the opening session of the convention of the National Society for the Promotion of Agricultural Science. Along with the warning, Mr. McSoule gave the remedies for the situation. Chief among them were: 'Through a widespread campaign of education and the properly coordinated effort of the research workers; by improved marketing methods; by proper grading, ginning and storing. ...' " (N. Y. Daily News Record, Nov. 9.)



Food Prices

Retail food prices showed decreases in nine principal cities in the United States, increased in one and remained the same in another, the Department of Labor announced Nov. 9. Decreases occurred in Milwaukee, Chicago, Detroit, Indianapolis, Peoria, St. Louis, Bridgeport, Minneapolis and Newark and in Mobile, Ala., there was an increase of 1 per cent. Increases averaging about 50 per cent over the 1913 prices were shown for these cities. (Press, Nov. 10.)

Section 3.

Department of
Agriculture

1. The Journal of Commerce for November 9, says in an editorial: "Recent reports, repeated from time to time, have it that in some sections of the West farmers are finding it good business to burn their corn for fuel rather than to buy coal. The Secretary of Agriculture now expresses the opinion that considerable grain will be thus used in some portions of the country this winter unless corn prices rise materially. That this is a highly abnormal and regrettable state of affairs none will deny. It is likewise true that the current price of corn is but poorly related to costs of production.

Not for a moment, however, is it to be supposed that this is a matter solely of the price of corn. The relative values of these commodities - corn and coal - afford an excellent illustration of the present maladjustment of prices among themselves. Comparative values of a bushel of corn and a ton of coal in 1913 do not constitute a perfect standard for measuring the normal relationship, but can be used as an approximation at least. Corn is now selling at Chicago for considerably less than it did in the last prewar year, while coal of the variety normally used for household consumption on the farms of the West brings at least 75 per cent more than it did in 1913. When transportation costs are figured in the disparity is probably considerably greater.

It is thus seen that the continued high cost of coal is fully as responsible for the conditions referred to by the Secretary of Agriculture as is the low price of corn. And from the broad economic standpoint it is just as important that the costs of mining and transporting coal be reduced as it is that the price of corn be raised, and certainly it should be far more feasible to bring it about. ... Why does not the official already quoted place the blame where, more than anywhere else, it belongs? He, rightly perturbed over the situation in which many farmers find themselves, is frequently urging this, that or the other unsound measure for existing ills. Would he not serve both the farmers and the rest of the Nation much more effectively and well by insisting that railroad and ^{certain} other sections of labor cease its 'profiteering?' "

2. In an editorial on "The Extension Worker" The Michigan Business Farmer for Nov. 5, commenting upon Assistant Secretary Pugsley's recent statement on extension work, says: "The secretary is right. A change is coming soon in the extension policy, but it will probably not be confined to the lines suggested by Mr. Pugsley. We look for a radical change in the duties of the county agent and the method of paying him. We need the county agent, but we need him less as a production expert and more as a marketing expert. The farmer can when necessary secure all the information he needs on production from the

agricultural colleges and the Department of Agriculture, but no government bulletin or long-distance advice can point him the way to economic freedom. This requires sympathetic, and intelligent leadership by men who know the A B C of economics and are willing to consecrate themselves to serving the farmers. These men should be paid by farmers and the farmers can afford to pay them. They will take no orders from Washington or the seats of the agricultural colleges. They will be entirely representative of and responsive to the wishes of the farmers who employ them. When they meet together in county, state or national assembly they will represent the composite views of the farmers and no one else. And if they are as bright and keen and eager to do as the average county agent of to-day they will find the key to the complex problems of agriculture."

Section 4.

MARKET QUOTATIONS

Farm Products

Nov. 9: Chicago grain market nervous with highest prices made toward last. Chicago December wheat higher at \$1.06 1/4; Chicago December corn higher at 47 3/8¢. Stocks of old corn on farms Nov. 1 estimated at 281,472,000 bushels; largest on record. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.19; No. 2 hard winter wheat \$1.06; No. 2 mixed corn 47¢; No. 3 white oats 33¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 32¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.00 1/4; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market active and higher, bulk of sales \$7 to \$7.30. Beef steers steady to 25¢ lower; medium and good beef steers \$5.75 to \$11.25; butcher cows and heifers \$3.35 to \$9.25. Veal calves 25 to 50¢ lower, light and medium weights \$3.50 to \$9.75.

November 1 estimate total white potato crop 356,076,000 bushels. Prices at shipping points: Maine Green Mountains in bulk firm at \$1.51 to \$1.56 per 100 lbs; Massachusetts yellow onions steady at \$5 to \$5.25 per 100 lbs. sacked; Northwestern extra fancy boxed Winesaps \$2.

Eastern hay markets continue dull. Central western markets firm on light receipts but demand limited. Country loadings light. Wheat-feeds stronger in west because of light production and improved demand. Strength not generally reflected in eastern markets.

Butter markets weak with price tendency downward. Dull movement of most grades. Storage butter selling slowly. Cheese markets quiet; trading irregular following slight declines on Wisconsin cheese boards Monday.

Spot cotton lower at 17.35¢ per lb. New York December future also lower at 17.50¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and Railroads

Nov. 9: Average closing price 20 industrials 75.75, as compared with 80.62 corresponding day 1920; average closing price 20 railroad stocks 73.58, as compared with 82.10. (Wall St. Jour., Nov. 10.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 36.

Section 1.

November 12, 1921.

Emergency Tariff Legislation Congressional action was completed Nov. 10 on the bill to extend the life of the emergency tariff until permanent tariff legislation is enacted, while the Senate Finance Committee was hearing appeals for protection from live-stock and poultry growers. The final legislative action on the bill to extend the emergency act, which otherwise would expire by limitation November 27, was concurrence of the House in amendments added by the Senate.

The poultry growers, through the American Poultry Association, told the Senate committee that the American hen could not compete with her foreign sister under rates on eggs as contained in the Fordney bill passed by the House. They asked a duty of eight cents a dozen instead of the six cent rate of the Fordney bill.

The requirements of the cattle men, as submitted by Judge Samuel H. Cowan, of Fort Worth, representing the American National Live Stock association, are for a 20 per cent ad valorem duty on hides and an equal rate on fresh and prepared meats, but with the provision that the 20 per cent rate on meats should not mean less than four cents a pound duty. On the meat animals, the association asked that a basic duty of 20 per cent be established rather than on a per head basis with a specific duty, as provided by the House. Hides are now on the free list, while the rates on cattle range from 1 to 1 1/4 cents a pound, and the beef and veal duty is 2 cents a pound. (Assoc. Press, Nov. 11.)

Tax Bill After a promise by Republican leaders that an opportunity would be afforded for a vote on acceptance of the 50 per cent maximum income surtax rate, the House Nov. 10 sent the revenue bill to conference without instructions on any of the 833 Senate amendments. (Press, Nov. 11.)

Tax Legislation The Washington Post, Nov. 11, says in an editorial on "The Maximum Surtax": "When the House of Representatives voted to reduce the maximum surtax rate from 65 per cent to 32 per cent it did so for a good and legitimate reason. It was not to relieve individuals with enormous incomes from a large part of their taxes, but to increase the yield of taxes from this source. The Treasury had found that many rich persons had invested their fortunes in tax-exempt securities to avoid paying this high surtax, and it was evident that if this maximum rate were cut in half much capital would be invested in industrial and commercial concerns, paying liberal tax levies, which otherwise would be put into nontaxable bonds. It was a practical business proposition which faced the Treasury, and the House treated it as such. In the Senate the so-called agricultural bloc of senators took a different view of the matter, and, representing as they do the horny-handed tillers of the soil to a large extent, they decided their constituents would be inclined to

regard this big reduction in surtaxes as a concession to the rich. Consequently the demanded, as the price of their united support of the tax bill, that the 32 per cent maximum be increased to 50 per cent, and this was done. Now the House leaders declare they will not accept this increase, and Senate leaders fear they can not secure adoption of the 32 per cent rate. Insurgent Republicans are engaged in trying to form combinations with the minority in support of the higher rates. This is a question which calls for caucus action, in which the will of the majority should prevail. The only real question therefore to be considered is how low the maximum surtax rate should be fixed in order to tempt capital out of its hiding behind nontaxable securities and induce it to become actively employed in productive industry. The House takes the view that the rate should be 32 per cent to insure this result, and it is practically certain that 50 per cent would keep capital out of industry."

Iowa Corn for
Famine Sufferers A Des Moines dispatch to Philadelphia Public Ledger to-day says: "Thousands of Boy Scouts will sweep Iowa November 12 to gather corn for famine relief in the Near East. Farmers will cooperate by permitting the boys to go into the fields and husk limited quantities from standing corn. Free elevator services, milling and transportation for the corn has been arranged, and it will be sent immediately to the famine regions of Armenia."

Federal Road Bill The Washington Post, Nov. 11 says in an editorial: "A few states have been backward in road construction and will not be qualified to participate in the benefits of this bill to the same extent that others do, but this very fact will prove an incentive to them to organize highway departments and make appropriations for road building, so that in the future they may get the fullest benefits of Federal road funds. That there will be similar bills passed in the future is certain, for it has come to be recognized that no expenditure of Federal money pays better dividends to the public."

Section 2.

Agricultural
Costs
Discussed The finished product of the farm and cattle range costs the consumer more than twice as much as the farmer or cattle grower gets for his product was told members of a conference held at Kansas City, Nov. 10, under the auspices of the Chamber of Commerce of the United States. J. N. Van Der Vries, general Western manager of the chamber, said statistics showed that the farmer and live-stock raiser received about 37 per cent of the price the consumer paid. Thomas E. Wilson said 89 per cent of the amount the packers received for all meat products went to the live-stock raiser. J. C. Mohler, secretary of the Kansas Board of Agriculture, said that farmers were taking an active interest in cooperative marketing associations because they realized the farmer received too little and the consumer paid too much.

- Agricultural
Financing
1. The War Finance Corporation has approved advances, aggregating \$1,634,800, for agricultural and live-stock purposes, in California, New Mexico, Iowa, South Dakota, Missouri, Nebraska, South Carolina, and Colorado. (W. F. C. press statement, Nov. 10.)
 2. War Finance Corporation loans to stockmen and farmers in the Southwest are proving far more popular and helpful than anticipated by bankers. Virtually every banker in Kansas City is encouraging country banks and trust companies to make use of the facilities to lend as much

as \$1,000,000,000 for agricultural and live-stock purposes. Money is so tight in the Southwest that there is real need for the War Finance Corporation funds. With more than 800,000,000 bushels of corn in the Southwest, the largest crop in history, together with extremely low prices for the grain, there is a big demand for loans to finance live-stock purchases for feeding operations. The principal demand for war finance loans is coming for this source. If markets for fat stock hold at present levels the corporation money will enable the Southwest to "cash in" its great feed crop on a far better basis than current quotations for hay, oats and corn. (Kansas City dispatch to Phila. Ledger, Nov. 12.)

Cooperation in Florida

An editorial in The Farmer and Stockman for Nov. 1, advocating further cooperation among southern farmers, says in part: "During the past few years certain farm marketing organizations, purely cooperative, have not only stuck together but have grown and prospered until they have become mighty factors in the fields they represent. ... The South has been slow in this respect and we have few cooperative marketing organizations made up of farmers in this section that have much of a record behind them. ... We need other organizations like the Florida Citrus Exchange in Florida and we need them in Georgia and other southern states. Individual producers have many problems that they are utterly unfit to cope with alone. ... At this writing there is a plan being worked out by the officials of the Florida Dairy Association for bringing together various interests in the State that are directly concerned with growth and success of the dairy industry including not only the producers of milk, but also the distributors, manufacturers of dairy products and dealers in dairy equipment and supplies."

Cotton and Disarmament

"Disarmament, in a broader sense, means to the cotton industry, as it does to all others, first, a comparatively small reduction in consumption of the commodity which would ordinarily go for purposes of war, and immediately after a tremendous potential consumption of cotton in countries, war-ridden at present or struggling under the debts and hatreds of past wars." (From article by E. W. Mockler, Cotton Editor, in N. Y. Commercial, Nov. 10.)

Farmers and Farming

"One of the most unpleasant features of the unpleasant farm situation at the present time is the too-large number of close-out public sales of farmers, who in disgust of the past or fear of the future are deciding to abandon their farms for what seems to them a safer and more lucrative existence in town. It is a foolish move for themselves and for farming in general. It is further indication that farmers need more intelligence along lines that prompt a business man to 'stick to the ship' even though the year's work shows a loss instead of a profit. In fact, many business men drive through to success on nothing more to support them than their own belief that they can somehow pull through, whereas the farmers have every indication now that the worst is over and whatever changes in conditions that are to come are bound to be favorable to them." (The Seed World, Nov. 4.)

Farm Prices and Buying Power

The New York Daily News Record, Nov. 9, states that reports are reaching the New York market that important men coming back from the agricultural sections are growing most conservative. The cause for this is the low price the farmer is receiving for everything he gets out of the ground.

Filled Milk
Legislation

Referring to the Voigt and Fordney filled milk bills now before Congress, The Milk Magazine for October says: "As to which bill will be most effective we are not prepared to say. However, the Voigt bill has already made such progress that it may well be the means of crystallizing opinion and it therefore deserves the support of all interested. Such report can in no way prevent one from supporting the Fordney bill in case it gets by the Ways and Means Committee later."

Implement
Export
Market

"Fewer agricultural implements were exported from the United States in September than in the month before. The decline for the single month was 42 per cent, and for the entire nine months of the year it was 1.7 per cent below that of 1920. Thus, whether he recognizes it or not, the welfare of the American factory worker is vitally connected with that of people of other countries. It is a matter of concern to him, in his earning capacity, whether or not the farmers of Egypt plow with a crooked stick as in the days of the Pharaohs. ... There is a wide field for development of the implement trade. At least 70 per cent of India's enormous population is dependent upon agriculture. What possibilities are here presented for a trade in agricultural implements. ... Here is a cultivated area of 250,000,000 acres, practically 70 per cent that of the United States, and nearly all is turned up with a wooden plow. ... As the crops principally raised in India are jute, wheat, rice, tobacco, sugar and cotton, the same implements that are used in other countries for those crops could be utilized there. ... The field is certainly there and in time it must become a large one. ..." (Wall St. Jour., Nov. 10.)

Packer
Employee
Wages

Workers' organizations in the various stockyards throughout the country have placed in the hands of committees the work of considering the request of packers that the men accept a cut in wages because of economic conditions. (Press, Nov. 11.)

Railroad
Labor
Situation

An editorial in to-day's Philadelphia Public Ledger entitled "New Reduction Proposed" says: "The railroad labor situation, quieted down on the surface, at least, since the sudden and dramatic ending of the recent strike attempt, in all probability will be stirred into activity again by the action just taken by the executives of the Eastern railroads. After a meeting held in New York Thursday, attended by the presidents of the roads north of the Ohio and Potomac Rivers and east of the Mississippi, the statement formally was made that within the week these roads will post notices of wage reductions, effective thirty days from date of posting, which will apply to train and yard service employes and represent a decrease of approximately 10 per cent. It was said by the railroad executives that the action is 'expected to create a technical dispute or controversy with the employes' and that if the men do not accede to the cuts the matter then will be carried to the Railroad Labor Board, with a request for an early hearing. It also was said that Southern and Western railroads shortly would take similar action, thus making the step practically unanimous among the railroads of the country. ..."

War Finance
Corporation
Appointment

The War Finance Corporation announces the appointment of Norman F. Neal of Kansas City as Assistant to the Board of Directors. Mr. Neal will give especial attention to the western cattle loan business of the Corporation. (W. F. C. press statement, Nov. 10.)



Section 3.

Department of
Agriculture

The Wall Street Journal Nov. 11 says in an editorial: "Secretary Wallace is of the opinion that large quantities of corn will be burned for fuel in the West this winter. When corn gets so cheap and coal so dear that farmers find it necessary to convert the grain into fuel instead of food, we have a striking illustration of the present maladjustment of prices and services. In 1914, contract corn at Chicago at this time of the year ranged from 63 to 78 cents. The freight from a Nebraska point was about 14 cents a bushel. Now, it is 25 cents, and when the grain gets to Chicago it sells for approximately 43. Corn has fallen and transportation service has advanced. Likewise, when the farmer sells the corn and converts the proceeds into coal he buys at 175 per cent of the prewar level. The trouble is not alone in the low price of corn, but in the abnormally high cost of transportation and coal. The exchange value of the commodities is all out of proportion, and in consequence, the farmer would be economically justified if, as the Secretary fears, he shovels his corn into the fire instead of marketing it as a food product. He converts it into heat units, in the furnace or the stomach. We who eat cannot expect to do so at his expense. ..."

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 10: Corn weak on selling influenced by Nov. 1 Government estimate of corn crop and stocks of old corn on farms. Wheat market narrow and nervous influenced by corn. Chicago December wheat lower at \$1.04 3/4; Chicago December corn lower at 46¢. In Chicago cash market: No. 2 red winter wheat \$1.17; No. 2 hard winter wheat \$1.06; No. 2 mixed corn 46¢; No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 31 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.03; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market closed weak, bulk of sales \$7 to \$7.25. All grades beef steers dull and 15 to 25¢ lower; medium and good beef steers \$5.75 to \$10.75; butcher cows and heifers \$3.25 to \$8.75. Veal calves down 50¢, light and medium weights \$5.25 to \$9.25. Fat lambs up 25¢ at \$8.50 to \$9.35.

Potato markets generally slow and steady. Chicago and New York slightly weaker. Prices at shipping points: New York Round Whites steady at \$1.35 per 100 lbs. sacked. Maine Green Mountains steady at \$1.51 to \$1.56 per 100 lbs. bulk. New York Baldwin Apples A 2 1/2 firm at \$6.50 per bbl. Danish type cabbage firm at \$25 to \$30 per ton bulk.

Spot cotton lower at 16.98¢ per lb. New York December future also lower at 17.92 per lb. New York December future also lower at 16.99¢.

Eastern hay markets continue dull. Central western markets firm on light receipts but demand limited. Wheatfeeds stronger in west because of light production and improved demand.

Butter markets easy. Demand improved following price declines. Cheese markets quiet. Most of business being transacted in small orders. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials and
Railroads

Nov. 10: Average closing 20 industrials 75.61; compared with 79.95 same day 1920; average closing 20 railroad stocks 73.51, against \$1.99. (Wall St. Jour., Nov. 11.)



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Vol. III, no. 37.

Section 1.

November 14, 1921.

Tax Legislation House and Senate conferees on the tax revision bill, holding their first session Nov. 12, agreed approximately to 160 of the 833 amendments to the bill. The most important was that adopted by the Senate continuing taxes on the salaries of the President and Federal judges. Conferees on the tax revision bill resume work to-day, with members hopeful of concluding their work in a few days, but with final action delayed until after the House votes on major items of the bill. (Press of Nov. 13 and 14.)

Sales Tax Declaring that the vote of the Senate last week on his manufacturers' sales tax amendment to the Fordney revenue measure was an encouragement to him rather than a defeat, Senator Smoot said Nov. 13 that he would continue his fight for the enactment of the sales tax into American legislation in every Congress until enough votes can be mustered to put it on the statute books. The Utah Senator predicts that the time is not far distant when the United States will join with Canada and other countries that are successfully administering the sales tax, which he insists is the only equitable, just cure for the present evils of our revenue laws. (N. Y. Times, Nov. 14.)

Tariff Legislation Senate Finance Committee hearings on the tariff revision bill will be resumed to-day. (Press, Nov. 14.)

Live-Stock Marketing Live-stock producers gathered at Chicago Nov. 11 adopted the plan for a national cooperative marketing system, prepared by the Committee of Fifteen appointed by J. R. Howard, president of the Farm Bureau Federation. The plan, according to Mr. Howard, "sets up farmer-owned and controlled live-stock commission houses at the stockyards; provides a plan for orderly marketing, so as to prevent gluts on the market and the consequent sharp declines in price, and represents the natural development of the cooperative live-stock shipping association movement." (Jour. of Commerce, Nov. 12.)

World Bank Plan Outlined Explaining the details of his international currency scheme in London, Nov. 12, Frank A. Vanderlip emphasized the absolute necessity of something being done. He declared that the countries which are pouring out floods of depreciated currency are driven by sheer necessity. Mr. Vanderlip also uttered a warning against the temptation to enter into a process of depreciation with the idea that it seemed so far to have helped German industry and might therefore do something for the manufacturers of other countries. It was, he declared a sure way to destruction and national bankruptcy. (N.Y. Times, Nov. 13, which gives in full the text of Mr. Vanderlip's suggestion for a gold reserve bank of the United States of Europe.)

Section 2.

Agricultural
Financing

1. The War Finance Corporation has approved advances, aggregating \$2,163,000, for agricultural and live-stock purposes in Indiana, Nebraska, Montana, Illinois, Oregon, Minnesota, Missouri, Iowa, North Dakota, South Dakota and Georgia. (W.F.C. press statement, Nov. 10.)
2. The War Finance Corporation has approved advances, aggregating \$1,790,000, for agricultural and live-stock purposes, in Colorado, Oregon, Missouri, Nebraska, Kansas, Iowa, Minnesota, South Dakota, North Dakota, Texas and South Carolina. (W.F.C. press statement, Nov. 12.)
3. The War Finance Corporation has approved twenty-three advances aggregating \$1,765,000, for agricultural and live-stock purposes in Kansas, Montana, Illinois, Missouri, Minnesota, Iowa, North Dakota, South Dakota, Virginia, North Carolina, Texas and Georgia. The corporation also has approved three advances, aggregating \$91,000, to financial institutions in North Carolina on tobacco intended for export. (W.F.C. press statement, Nov. 14.)

Business
Conditions

"Conditions are not improving quite as rapidly as general sentiment has improved. Here and there are symptoms of a slackening of the recovery pace. And when frost and snow grip the country quite a number of very important lines of work will necessarily be curtailed, thus swelling unemployment. The recent severe decline in wheat to below \$1 a bushel, with still lower prices, relatively, for corn, cannot prudently be left out of the reckoning. Neither can the relapse in cotton from a recent maximum of 21 1/2 cents to below 18 cents a pound be ignored. It is, perhaps, significant, too, that the railway car loadings reveal a decrease, that postal receipts have fallen off appreciably, that unfilled steel orders have diminished and that idle money continues to pile up in the banks." (B. C. Forbes in Phila. Ledger, Nov. 14.)

Cotton

1. "The report of the Census Bureau, making the amount of cotton actually ginned prior to Nov. 1 as much as 6,646,136 bales, whereas the Department of Agriculture's October forecast of the total yield was 6,537,000 proved an unwelcome surprise to the Southern cotton trade--even though conservative people had been prepared to expect rather full ginnings by a forecast of the National Ginners' Association issued some days previously and predicting a total in line with that officially announced on Wednesday. There has been much curiosity as to the South's attitude toward these figures. It is that since the ginning totals to Nov. 1 exceeded the estimate of the crop issued by the Government on Oct. 3 by 109,136 bales, all expectations for an ultimate yield of less than 7,000,000 bales may be abandoned. Indeed, the majority of traders here are now looking for a crop of 7,500,000 bales, exclusive of linters, which would allow for ginnings of something under a million bales during the rest of the season. There are even some who agree with one of the private New York estimates last week and believe that the yield will reach as high as 8,000,000 bales." (N. O. dispatch to N. Y. Times, Nov. 14.)

Nov. 10, 1901
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Received of Mr. J. H. ...
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otton

2. "Recently in Boston there was held a marvelous exhibition of textile machinery. That which struck the observer most forcibly was the fact that inventive skill had kept pace in this field with the advances in science elsewhere..... Such is the manufacturing end of the cotton industry, but what of the producing end? Conditions of production are practically the same as they were fifty years ago. Conditions of marketing are just as wasteful. The producer does not receive the percentage of return for his labor and investment that should be his and which would benefit the entire community if he did. Within the last few years there has been an awakening in this regard. The American Cotton Association has undertaken constructive work, but it has a tremendous task before it to educate the entire South. It has naturally made some false moves in endeavors at price control, but it now seems to be on the right track in its effort to improve marketing methods and practice. The real loss to the farmer comes from the fact that there is too much waste between the farm and the mill. Any product should move from the producer to the consumer in the most direct line possible. Wherever a profit is taken it should represent a service rendered. Even the exchanges themselves render legitimate service, and the abuses that creep in there merely parallel the abuses that are encountered all along the line....." (N.Y. Commercial, Nov. 12.)

otton Shipping

A tentative agreement, subject to approval of the British, relative to the Egyptian cotton situation, has been reached as the result of conferences between Sir Ernest Raeburn, speaking for the British, and W. J. Love, vice president of the U. S. Shipping Board, in charge of traffic. (N.Y. Commercial, Nov. 12.)

Dairy Industry
in South Carolina

"An interesting development in the dairying industry of the State (So. Car.) is the new plant being built at Florence of the Colonial Creamery Co.,....representing an initial investment of \$25,000, with possible expansion to \$150,000. It will have a churning capacity of 5,000 pounds of butter daily, and feeding 6,000 head of poultry as a side-line. Maj. M. W. Cartwright, of long experience in dairying in Texas and Indiana and in Government research work, has leased the plant, which it is hoped to have ready for a start in December.....Major Carter claims that South Carolina is ideal in soil, rainfall and climate for developing a great dairying industry.....His own plans include shipping his milk-fed poultry to eastern markets and Florida resorts." (Manufacturers Record, Nov. 10.)

Flour Rates
to Orient

Cables from the Orient indicate Australia is cutting prices on flour into the Orient, including Manila, in addition to absorbing the duty. Efforts are being made by Hong Kong buyers to cancel previous contracts made here. Tonnage to the United Kingdom is easy at 30 shillings, a decline of 35 shillings since early September. There have been no inquiries on Puget Sound for flour or wheat. Tonnage to the Orient is firm at \$7, which is \$2 too high to work any wheat or flour business, according to exporters. (Seattle dispatch to press of Nov. 12.)

Foreign Trade

An editorial in The Nebraska Farmer for Nov. 12, reviewing comprehensively United States farm exports during the past ten years, says in part: "In September of the present year exports amounted to \$325,000,000. For the same month of 1920 they were \$604,686,259, or nearly twice as large. For the first nine months of 1921 exports of merchandise were \$3,552,019,739 compared to \$6,079,989,852 for the same period of 1920. The decrease for the nine months is practically in the same ratio as for September. Imports during the nine-months period show a decrease of approximately one-half compared to the same period of the previous year. In spite of this narrowed outlet, prices for merchandise have not shown any great downward trend to the consumer. Production and consumption of merchandise products in this country, tariff walls which shut out foreign goods, and more orderly distribution all may have some bearing on the higher level at which merchandise products are maintained, but certainly the comparative exports of foodstuffs and merchandise do not warrant such a great disparity in prices between the two. If our system of marketing and distribution of farm products permits such injustices to the producer, isn't it about time that the system was improved?"

Section 3.

Department

of Agriculture

1. The Illinois Agricultural Association News Letter for Nov. 3 says: "An example of how closely city industries are watching agricultural business conditions as a barometer of the future of business in general is shown in the October issue of a house organ put out by one of Chicago's largest industries, a corporation putting out mailing machines. An entire speech given by U. S. Secretary of Agriculture, Henry C. Wallace, was quoted on its first page by the house organ. The publication not only reaches all the officers and employees of the company but also its customers."
2. In a review of Assistant Secretary Pugsley's recent address before a meeting of Ohio extension workers, Hoard's Dairyman for Nov. 11 says: "Mr. Pugsley predicts the next step will be to unify the work of these three agents and not have them working separately, that is one for men, one for the women, and one for the boys and girls. He holds that such a system tends to divide a house against itself. It makes practically impossible a united extension program. It seems to us Mr. Pugsley is right in his contention and that all the work of the country should be combined under one head in order that there may be united effort which means greater efficiency and saving of expense and misunderstanding."
3. An editorial in Western Grain Journal for Nov. 3 says: "Having had a taste of what Government interference in business means and having no desire to add to their difficulties in serving the country, the grain exchanges of the United States are working together in connection with the Capper-Tincher bill. It is well to note that live stock exchanges are also cooperating to meet the requirements of the new stock yards market and packer regulatory legislation....By preparing to meet them, market interests will minimize the degree of interference from the Government in their business."



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Section 4.

MARKET QUOTATIONS.

Farm Products

During the week ended Nov. 12 the grain market had a good undertone and prices advanced steadily with the exception of a slight decline on the 10th. Chicago December wheat up 8¢; Chicago December corn up 1¢. Export business larger and stock market and foreign exchange stronger. Milling demand much better. Corn moderately active and higher with wheat.

Chicago hog prices declined generally 50 to 65¢ during the week. Good and choice light and medium weight steers and yearlings mostly 25 to 40¢ lower. Heavy steers down 50 to 75¢. Veal calves generally \$2 lower. Fat lambs steady to 15¢ higher.

Eastern hay markets continued dull. Central western markets firm on light receipts but demand limited. Country loadings light. Wheatfeeds gained strength in west because of light production and improved demand. Cottonseed meal slightly weaker. Linseed meal and corn feeds dull but practically unchanged.

Potato markets held steady to firm but were slightly weaker at the close in some cities. Northern sacked Round Whites advanced 20¢ in Chicago at \$1.70 to \$1.95; down 5¢ in producing sections at \$1.55 to \$1.65. Cabbage markets steady to firm, demand moderate. Supplies of barreled apples limited; markets slow and dull. Eastern Yellow Globe onions slightly weaker in New York and Philadelphia at \$5.25 to \$5.50 per 100 lbs. sacked.

Butter markets unsettled and irregular but gained strength at close. Buying inactive on most grades although demand improved following price declines. Cheese markets quiet with trading irregular.

Spot cotton declined 194 points closing at 16.37¢ per lb. New York December future down 230 points at 16.15¢.

Nov. 12: Highest grain prices on present upturn made today. Chicago December wheat higher at \$1.09 1/8; Chicago December corn higher at 47¢. In Chicago cash market: No. 2 red winter wheat \$1.22; No. 2 hard winter wheat \$1.10; No. 2 mixed corn 48¢; No. 2 yellow corn 49¢; No. 3 white oats about 33¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 32¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.04 1/2; to farmers in Central Kansas for No. 2 hard winter wheat 92¢.

Chicago hog market generally higher, bulk of sales \$6.85 to \$7.20. Cattle and sheep prices generally steady; Medium and good beef steers \$5.75 to \$10.75; butcher cows and heifers \$3.25 to \$8.75. Light and medium weight veal calves \$5.25 to \$8.25. Fat lambs \$8.75 to \$9.40.

Chicago potato market firm, other city markets steady. Prices at shipping points: New York sacked Round Whites slightly weaker at \$1.75 to \$1.85 per 100 lbs. Maine bulk Green Mountains firm at \$1.56. New York Baldwin Apples A 2 1/2 steady at \$6.50 per bbl. New York Danish type cabbage firm at \$30 per ton bulk.

Spot cotton lower at 16.37¢ per lb. New York December futures also lower at 16.15¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials
and Railroads

Nov. 12: Average closing price 20 industrials 76.46, as compared with 76.90 corresponding day 1920; average closing price 20 railroad stocks 73.51, as compared with 78.10. (Wall St. Jour., Nov. 14.)

UNITED STATES DEPARTMENT OF AGRICULTURE

DAILY DIGEST

A summary of news particularly of an economic character bearing upon the work of the Department, as obtained from the Library's daily accessions.

Prepared in the Library of the Department with the cooperation of the Director of Information (Office of the Secretary) and of the Bureaus.

Vol. III, no. 38.

Section 1.

November 15, 1921.

Tariff Legislation The permanent tariff bill, which has been passed by the House and is now under consideration by the Senate Finance Committee, met a further delay Nov. 14, when hearings on the measure were suspended upon completion of testimony on the dairy paragraph of the agricultural schedule, and the committee adjourned, with the plan, it was said, of holding no further meetings before Nov. 21.

Representatives of the dairy industry appeared before the committee Nov. 14 with requests for tariff rates on their products higher than those carried in the House bill. They asked for a basic duty of 10 cents a pound on butter with corresponding rates on other dairy products, the average being slightly higher than the House rates. (Press, Nov. 15.)

Tax Legislation House and Senate conferees on the tax revision bill agreed Nov. 14 to elimination of the Senate amendment giving Congress authority to call on the Treasury Department for income tax returns of corporations and individuals. This was one of several hundred amendments disposed of yesterday by the conferees, but none of the high spots of the measure was taken up under the agreement to reserve highly contested points for the last. Such points passed over included the 15 per cent. corporation tax provision and the repeal of the \$2,000 normal exemptions for corporations except in cases where the capital is \$25,000 or less. (Press, Nov. 15.)

Tax Revision An editorial in The New York Times to-day entitled "Real Tax Revision" says in part: "The general popular enthusiasm for the official proposals of naval reduction ought to be notice and warning to Congress. The people all over the country hope to be relieved largely of the crushing continuous burden of Federal taxation.....The strength of the popular desire for the cutting of naval expenses, the national perception of the necessity of economy, ought to stir Congress to pass a genuine tax revision bill, to relieve and encourage business, to give it a chance to be revived with new capital. The Senate scheme of surtaxes scaled up to a maximum of 50 per cent. simply grabs from salaried, professional and business men a large part of their income; gives the Government the surplus of that income which otherwise would be used to keep up or enlarge business and employ labor and produce goods. Unemployment is large already. This is the way to make it larger. The very fat incomes go into tax-exempt securities. It is the notorious fact that taxes of more than .25 or 30 per cent. yield less instead of greater revenue.....It is heartening to see that Senator Smoot is going to keep up his fight for the enactment of the sales tax, the simplest, most equitable and just of taxes, and a sure producer of revenue."

Rail Wages

In accordance with the plan adopted last week by the Eastern Presidents' Conference the managers of all of the fifty-two eastern railroads will address notices to-day to the various classes of railroad employes, calling for conferences to consider readjustments in wages and working conditions. The conference to discuss changes in working conditions, as affecting the train-service men, is asked for, in addition to wage reductions of the trainmen, it was learned yesterday. The plan is to revamp the present railroad working agreements which each road has negotiated individually with its train-service employes, in order to work for "greater economies." There are 140 different items of rules and conditions to be considered for this class of workers, and under the existing contracts the roads are permitted to make a change only after the usual thirty days' notice. (Press, Nov. 15.)

Section 2.Agricultural
Financing

The War Finance Corporation has approved fifty-two advances, aggregating \$2,935,000, for agricultural and live stock purposes, in Oregon, Montana, New Mexico, Wisconsin, Missouri, Illinois, Iowa, Minnesota, South Dakota, North Dakota, Nebraska, Texas, Georgia, Louisiana, Florida and North Carolina. The corporation also announced that, in accordance with the previously announced arrangement in connection with advances to finance sugar beets, formal papers involving advances of \$4,150,000 were to-day approved, and this sum will be paid at once in the Utah and Idaho districts. (W.F.C. press statement, Nov. 14.)

American
Farm Bureau
Federation

An editorial in The Country Gentleman for Nov. 19, entitled "Tried by Fire," says in part: "The American Farm Bureau Federation is rapidly approaching the crossroads. It has enjoyed two wonderful years of growth. The first was spent in propaganda and in enrolling its huge membership of more than a million; the second in mapping out a program and organizing the administrative machinery. As the second year's work developed both the legislative and the marketing programs became fairly well defined. The farmers' plans were revealed to the public and opposition became crystallized.....The farm bureau is the biggest single issue in American social, political and economic life. From now on every move the farm bureau makes will be sharply criticized. Its avowed enemies will use every means to thwart its purpose and encompass its ruin. The next twelve months will try the wisdom and the mettle of the farm leaders..... Even though mistakes have been made - and no one denies they have - farmers should not lose confidence or desert the cause. The business thing is to replace weak or timid leaders with strong ones and keep on strengthening the organization. There has been some criticism of the U. S. Grain Growers, Inc., and there has been disappointment over its failure to organize promptly the Farmers' Finance Corporation. Fundamentally both ideas are sound, but mistakes were made in organization, and as foster father the Farm Bureau Federation will not escape criticism.....The American Farm Bureau Federation and all other farm organizations have difficult times ahead of them. The various groups should compose their differences at once.

Farmers should look sharply to their leadership, select the wisest for every post of authority, and then they should stand behind them unwaveringly. The time of trial by fire is upon them."

Cheese Exports of Canada

In a review of the dairy industry in Canada, The New York Times for Nov. 14 says: "A dispatch from England announces that at the Dairy Show held recently in London, where butter and cheese makers of the world met in competition, the first three places in the cheddar class went to Canada.....Total cheese exports from Canada in the fiscal year of 1921 amounted to 133,620,340 pounds valued at \$37,146,722, or practically the entire Dominion production for that year. In 1920 the figures were 126,395,777 pounds and \$36,336,863, and in the previous year, 1919, 152,207,037 pounds and \$35,223,983. Cheese is exported from Canada to the United Kingdom, United States, Belgium, Bermuda, British Guiana, Barbados, Jamaica, Trinidad, Denmark, France, Greece, Italy, Malta, Newfoundland and other countries

Foreign Trade

Both exports and imports increased during October as compared with September--the former by \$21,000,000 and the latter by \$4,000,000, according to the monthly report issued Nov. 12 by the Department of Commerce. The foreign trade of the month resulted in a favorable trade balance of \$16,000,000. Exports during October aggregated \$364,000,000, against \$325,000,000 in September and \$751,000,000 in October, 1920, while imports totaled \$183,000,000, against \$179,000,000 in September and \$333,000,000 in October, 1920. (Press, Nov. 14.)

Forestation

"A plan for 'harvesting of the forests' as opposed to the present system of denuding the wood tracts of this and other states and that if it proves advantageous may revolutionize the lumber industry of the country has been put into execution by Henry Ford on a section of land about two miles from Sidnaw, Houghton Co., Mich. The plan, that is attracting considerable attention among lumbermen, has as its basic principle the conservation of Michigan's fast-dwindling timber supply." (Wash. Star, Nov. 13.)

Grain Market- ing

Recapitulation of organization work of the U. S. Grain Growers, Inc., in the ten states in which field operations are now in progress, shows a total of 21,829 members, of which aggregate 4,603 are in North Dakota, 6,333 are in Illinois, 3,715 are in Nebraska, 2,257 are in Missouri and 1,982 are in Indiana. The remainder have been obtained in Iowa, Colorado, South Dakota, and Kansas. The week's organization summary, issued by the national organization headquarters in Chicago, shows 628 elevators and grain grower associations have signed contracts. (U.S.G.G. press statement, Nov. 7.)

Hog Prices

"Michael F. Cudahy, the Milwaukee packer, says packers are paying crazy prices for hogs, and that instead of being 7 cents a pound they should be 5 to 5½ cents, based on the European demand. With corn at 25 to 35 cents the bushel in the country, hogs can be fattened for 4 to 4½ cents a pound by the farmers. He predicts that if they do not sell where they belong, at 5 to 5½ cents now, and the product is in line with these prices, they will sell at 4 to 4½ cents next summer." (N.Y. Times, Nov. 14.)

Marketing

"One of the insidious fallacies which the agricultural newspapers, and indeed many other newspapers, insist upon impressing upon their readers is that the rule is that it is profitable to hold products, such as grain and live stock for better prices, which in their philosophy are always to be had later on, not to-day. Some of these 'price sharks,' as some of them are pleased to call themselves, have evolved a certain theory in their contemplation of a limited area statistically exposed, which appears to demonstrate that the 'end of the season' price is always higher than the price when the crop is ready to sell.....One of the most wholesome principles in this connection is to let nature alone. It is impossible to see why or how all of the processes of feeding a great nation take place, but it is a fact that somehow and in some way every man, woman and child in the country who has the price to pay for it is always able to get his breakfast on time 365 days in the year, and this without any meddling on the part of the Government, the Bureau of Markets' pseudo experts from agricultural colleges, or any other official interferences. Nature takes care of those things in a way that she understands but which men do not, and the experience of mankind for at least 5,000 years of recorded civilization has demonstrated that the more men undertake to regulate nature by law the more difficult it becomes for mankind to get their breakfast served on time in a manner that pleases themselves most." (Price Current-Grain Reporter, Nov. 9.)

Marketing
in Georgia

1. Plans for the development of better marketing conditions in Georgia and for the solution of vital problems now confronting the farmers and business interests of the State are to be formulated by a joint committee representing the Georgia Bankers' Association, the Georgia Country Bankers' Association and the Atlanta Clearing House Association. This committee will meet in Atlanta Nov. 17, when it will present tentative plans and will select a larger committee to formulate detailed plans to overcome marketing conditions. (Jour. of Commerce, Nov. 12.)
2. The Wall Street Journal for Nov. 14 says in an editorial entitled "An Important Move": "A committee of Georgia bankers will meet in Atlanta this week to formulate plans for securing better marketing conditions for farm products. Great possibilities are within such campaigns, and they are of more than local interest. If cholera affects the hogs of Iowa or the boll weevil injures the cotton of the South, the country's financial nerve center feels it. Any plans whatever to increase production or give the farmer a better return are a matter of importance to all business interests. What plan the committee has in view is not known. But the subject of markets is as wide as it is important.....Shipment of fruit and vegetables to markets of the North is wasteful. When we eat a pineapple or a sweet potato in New York we pay for it and for another one that rotted on the way. A wholesaler in one large market showed that he paid \$20,000 a year for avoidable trucking. The consumer pays for all in the end but the producer loses by it."

Section 3.

Department of
Agriculture

The Price Current-Grain Reporter for Nov. 9 says in an editorial: "It is one of the postulates of the Government (which in this particular instance is the Department of Agriculture) that meat packers really don't know very much about the merchandising side of their own business compared with what the Department of Agriculture will be prepared to tell them as soon as Prof. Squire gets back, who has been appointed foreign agent of the Bureau of Markets to investigate European markets for beef and agricultural products.....Now, it is possible that a professor, fired with the Bureau of Markets' rare discovery that packers and grain exporters have been sleeping on their jobs for a generation, has been found by Mr. Wallace, who, after an interesting jaunt through Europe, covering a period of several weeks, will be able to tell American packers who have been finding new outlets for meat for a generation where they can find the man who will buy and pay for and eat American meat, whom the packers' salesmen hitherto have known nothing about; but we doubt it. If he does find the man they have not found, the find probably will not be worth the cost of the hunt. But the bureaucratic sophomores must be entertained somehow and Uncle Sam's money must be wasted in the entertaining."

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 14: Liquidation caused a sharp break in wheat prices, Chicago December wheat closing at \$1.05 5/8; Chicago December corn also lower at 46 3/8¢. Visible supply wheat 55,382,000 bushels, a decrease of 1,213,000 bushels for week. Visible supply corn 18,705,000 bushels, a decrease of 186,000 bushels for week. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.18; No. 2 hard winter wheat \$1.07; No. 2 mixed corn 47¢; No. 3 white oats 33¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 32 1/2¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.06 3/4; to farmers in Central Kansas for No. 2 hard winter wheat 95¢.

Chicago hog market down 35¢ to 40¢, bulk of sales \$6.60 to \$6.90. Beef steers selling above \$8 per 100 lbs. steady to strong; lower grades weak to lower; medium and good beef steers \$5.75 to \$10.75; Butcher cows and heifers steady at \$3.25 to \$8.75. Fat sheep and lambs closed strong; fat lambs \$8.50 to \$9.25.

Potato markets steady to firm. Prices at shipping points: New York Round Whites slightly weak at \$1.75 to \$1.85 per 100 lbs. sacked. Maine Green Mountains in bulk firm at \$1.51 to \$1.56 per 100 lbs. New York Danish type cabbage up \$5 per ton at \$35.

Practically all eastern hay markets dull with prices tending downward. Southern demand unimproved. Better undertone in feed markets account colder weather and lighter offerings. Production of cornfeeds heavy; demand good; offerings well absorbed.

Butter markets stronger. Receipts lighter; production decreasing as cold weather approaches. Cheese markets quiet with more or less unsettled undertone. Spot cotton higher at 16.48¢ per lb. New York December future also higher at 16.55¢. (Prepared by Bur. of Mkts. & Crop Est.)

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Vol. III, no. 39.

Section 1.

November 16, 1921.

Boll Weevil Destruction

That the 1921 cotton loss in the southern states due to boll weevil infestation will reach the enormous total of \$700,000,000 was the statement made in the Senate Nov. 15 by Senator Ellison D.

Smith, of South Carolina. The loss in South Carolina alone, Senator Smith estimated at \$100,000,000, while the loss to the nation, when the added values of the cotton as it moves up through the different stages of manufacture are included, Senator Smith asserted, will increase the total loss to \$2,250,000,000. (N.Y. Times, Nov. 16.)

Tax Legis- lation

House and Senate conferees on the tax bill Nov. 15 reached agreement on all excise taxes, adopting practically in every case the action of the Senate, after eliminating the Senate amendment

for a 4 per cent manufacturers' tax on perfumes, essences, etc. Many important provisions of the bill were passed over yesterday by the conferees, these including the increased estate tax rates and the Senate amendment imposing a graduated tax on gifts or property. The excess profits and transportation tax repeals were agreed upon, but this was purely perfunctory, as both the House and Senate bills provided for their repeal on next January 1. Some of the conferees are of the opinion that the Senate amendment increasing the corporation income tax rate by 5 per cent, instead of $2\frac{1}{2}$ per cent, as voted by the House, will be agreed upon. The income surtax amendment still is the big controverted feature, but the maximum rate probably will be fixed by the House, which has reserved a separate vote on this provision. It is understood that the House conferees plan to ask for the vote tomorrow. (Assoc. Press, Nov. 16.)

Reclassifi- cation Bill

After four hours of attack and defense in the House Nov. 15, general debate was completed on the Lehlbach reclassification bill and consideration of the measure went over until tomorrow. The

bill was defended by its author, Representative Lehlbach, chairman of the Committee on Reform in the Civil Service. It was assailed by Representative Wood, the author of a bill opposed to the principle of reclassification embodied in the Lehlbach bill. Representative Wood said in opposition to the Lehlbach bill that its administration would be scattered through four agencies, one of which has not yet been created, and "all of which are wholly lacking in experience." Under the measure, Mr. Wood said, heads of departments would be stripped of all authority in personal matters except the temporary allocation of employes and salaries. "I favor reclassification by heads of departments," said he, "with only such outside supervision or intervention as is absolutely essential to the maintenance of uniform rates of pay between different offices." (Press, Nov. 16.)

Tariff Legis-
lation -

"The American Valuation" is the title of an editorial in The Washington Post to-day which says in part: "In making the final draft of the new tariff bill it is now taken for granted that Congress will embody in it a provision for the American valuation of imports, as approved by the House of Representatives. While there is strong opposition to this from importers and free traders, apparently it is the only practical means for putting into effect the protective policy of the Republican party, to which the new administration is unalterably committed.....Rates based upon the price of goods in the American markets would give to all nations competing for trade in this country an equal chance, and at the same time it would afford the means of imposing duties which conform with comparative accuracy to the rule of bridging the difference in cost of production at home and abroad. Protection could be extended to American capital and labor without going to extremes and the products of domestic factories would not be placed at the mercy of cheap foreign goods or of cheap money. Practically all the producing industries of the United States favor the American valuation plan and are more interested in having it adopted than they are in the proposed tariff rates."

Section 2.Agricultural
Conditions

In its general review of the week, The Financial Age for Nov. 12 says: "With December wheat selling under \$1 a bushel and corn commanding less than 45 cents at Chicago, it is easy to visualize the losses accruing to the agricultural classes. It is a serious thing when the farmers have such a reduced purchasing power to contend with for there is no doubt but that the tillers of the soil have encountered many hardships in connection with the declines in farm products. Besides this the export demand for grain has lessened materially, partly because of the improved crop conditions abroad and also because of the extremely high premiums commanded by dollar credits at London and other great international markets. Inasmuch as the farming classes represent half the purchasing power of the country it is easy to see that anything which seriously inconveniences them will have a detrimental influence upon business everywhere. It is necessary for the farmers to enjoy reasonable prosperity in order to make it possible for them to buy things that they require and in the usual quantities."

Agricultural
Program

In a lengthy editorial entitled "National Agricultural Program," Southern Ruralist for Nov. 15 says: "It becomes more evident each succeeding day that what agriculture needs most is a national program that will embody in its scope the broader aspects of production and marketing, together with legislation that will bring agriculture in line with the other great fundamental industries. There is entirely too much risk in farming as conducted at present. A national agricultural program will serve as insurance. Not only that, it will give point to the work of our agricultural colleges and experiment stations and ultimately break down individualism and jealousies on the part of these institutions and bring about concert of action....."

Business
Conditions

"The Conference for the Limitation of Armament is a most hopeful sign for the return of business prosperity in 1922 and, if the ten-year naval holiday is decided upon, resulting in the withdrawal by the Government from the money market to the extent of a billion dollars, that much more money will be available to industry. Roger W. Babson, statistician and economics analyst, made this statement at a mass-meeting under the auspices of seven business organizations in Philadelphia, Nov. 15. Speaking on the subject 'Business Conditions in 1922,' he said he expected a turn in the business tide next year." (Phila. Ledger, Nov. 16.)

Business Con-
ditions in
South

"The studious men of Savannah, like those of Atlanta and other centers of the South, agree that the cardinal weakness in the whole South to-day is the tenant farmer, and until this is corrected the South will not know the full measure of prosperity it should enjoy by reason of its many natural advantages of climate, soil and proximity to markets." (Richard Spillane in Phila. Ledger, Nov. 16.)

Corn as Fuel

The Commercial and Financial Chronicle for Nov. 12 says: "There was a time when the farmer fed his stock with wheat, and possibly burned some of it for fuel, as at one time he did burn some corn. The older trouble was before the railroad was near him, and so the road haulage consumed the value of the wheat; the later trouble was that corn was low in price while coal was high. Now, with corn at less than half a dollar, the Secretary of Agriculture sees a mental picture of the farmer burning corn because it will cost him no more than coal and he can save trouble. There is nothing impossible in this forelook, and since it is not the duty of one man more than any other to produce food whereby other people may live, the food grower cannot be deemed accursed if he chooses a form of consumption which seems shocking to our feelings and certainly does prove the existence of wrong economy. Counting bread as the staff of life, corn deserves a not less lofty figurative rating, since its inferior position with respect to wheat as a direct food of man is fully made good by its being the main food of cattle and poultry. So, while the cost of living still resists all desires that it come down to prewar levels, are we to see one of the most important components burned, because it will be better for the grower to do his cooking and warming with it than to try to exchange it for coal?....."

County Agents
to Meet

The annual meeting of the National Association of County Agricultural Agents will be held in Chicago on Nov. 30, during the International Live-Stock Exposition. (A.F.B.F., News Letter, Nov. 10.)

Farmers and
Politics

Farmer organizations should engage in politics, both state and national, and keep a vigilant watch on Government operations at Washington, Charles S. Barrett, President of the National Farmers' Union, told a convention of that body at Topeka, Kas., Nov. 15. "We cannot ignore the fact," he said, "that it was through one of the agencies of government, which, of course, is political, that the awful debacle of the past year or more, when \$7,000,000,000 was lost to the farmers, was precipitated. If the farmers had taken the same interest in legislation as did the railways, the Chamber of Commerce, the National

Manufacturers' Association, the packers and other aggregations of capital, the Federal Reserve Board would not have dared to disregard agriculture as it did last year. It is absolutely necessary that a real Federal cooperative law be put on the statute books, something which enables farmers collectively to buy and sell without the constant dread of arrest and imprisonment." (Press, Nov. 16.)

International Financing

The Wall Street Journal for Nov. 15 says: "Practical bankers show no enthusiasm for Frank A. Vanderlip's plan for an international bank. It is doubtful whether the plan has the whole-hearted support of any prominent banker in New York. Many of them refer to the plan as 'Utopian!'"

The Washington Herald to-day refers editorially to Mr. Vanderlip's plan as follows: "It would make normal trading with the old world again possible; it would make buying and selling have a stable basis. It would provide an exchange value not variable with the ticking of the clock. It might halt that riot of financial disorder which we have sat one side and watched for the past three years rather than undertake to share in even the world's economic responsibilities."

Pork Exports

In an editorial entitled "Pork Exports and Prosperity," Wallaces' Farmer for Nov. 11 says: "The large pork exports should encourage a spirit of hopefulness in the corn belt. In an extensive article several years ago, we pointed out that while such large exports generally come at a time of low-priced hogs, they usually precede by a year or two higher prices for all corn belt products. A careful study of the forty-year period before the war illustrated very clearly that whenever pork exports were decidedly more than normal there was a tendency a year or two later for corn farmers to be more than usually prosperous. A striking feature about the pork exports of 1921 has been the large exports of lard.....It is also probable that both Germany and England are holding off the buying of pork products until they see if pork prices won't go lower. The English and German buyers know as well as we do that a large crop of low-priced corn generally means low-priced hogs a year or so later. As we see it, therefore, there is likely to be a temporary falling off in pork exports for a few months, with a probability of exceedingly heavy exports during the last half of 1922 and the early part of 1923. These heavy exports will not be felt at once in corn belt prosperity, but they will lay the foundation for very real prosperity several months from now."

Tariff

The "practical result" of the proposed American valuation plan in the pending tariff bill will be "Governmental wholesale price determination," according to Gray Silver, Washington representative of the American Farm Bureau Federation. In a letter to the National Retail Dry Goods Association, made public Nov. 14, Mr. Silver said the federation had supported the request of the association for reconsideration of the decision of the Senate Finance Committee to include the valuation plan in the tariff legislation. (Press, Nov. 14.)

Wool

The finish of the London auctions gave clear evidence of a much improved status in the wool textile industry. (From Bradford, Eng., dispatch to Phila. Ledger, Nov. 15.)

Section 3.

Department of
Agriculture

"Secretary Wallace has brought together in one division the old Bureau of Markets, the Bureau of Crop Estimates, and Office of Farm Management and Farm Economics, believing that such action will lead to more general activity on the part of all three of these former offices.....The Southern Ruralist congratulates the new Secretary on making this move, and especially for embodying activities in his new program that are destined to bring to light more facts relative to the economic side of farming. We have had too little of that in the past, a fact that has helped to hold the progress of agriculture in check.....We certainly must know more about the foreign phase of our agriculture. Without such information we will always be laboring against a tremendous handicap." (Southern Ruralist, Nov. 15.)

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 15: Selling by Northwest, weakness at Minneapolis and Winnipeg, and lack of support caused weak wheat market and lower prices. Chicago December wheat closed at \$1.04 1/8; Chicago December higher at 46 3/4¢. Export demand for cash corn very brisk. Closing prices in Chicago cash market: No. 2 red winter wheat \$1.17; No. 2 hard winter wheat \$1.05; No. 2 mixed corn 48¢; No. 3 white oats 32¢. Average price to farmers in Central Iowa for No. 2 mixed corn about 33¢; to farmers in Central North Dakota for No. 1 dark northern wheat \$1.04; to farmers in Central Kansas for No. 2 hard winter wheat 94¢.

Chicago hog market steady, bulk of sales \$6.60 to \$6.90. Butcher cows and heifers down 15 to 25¢ at \$3. to \$8.75; medium and good beef steers \$5.75 to \$10.75. Fat lambs opened 15 to 25¢ higher but closed weak at \$8.75 to \$9.40.

New York and Chicago potato markets steady to firm. Philadelphia and Pittsburgh weaker. Prices at shipping points: New York Round Whites down 10¢ at \$1.75 per 100 lbs. sacked. Maine Green Mountains steady at \$1.51 to \$1.56 per 100 lbs. bulk. New York Danish type cabbage firm at \$35 per ton bulk. Massachusetts Yellow Globe onions steady at \$5.25 to \$5.50 per 100 lbs.

Spot cotton lower at 16.45¢ per lb. New York December future higher at 16.65¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials
and Railroads

Nov. 15: Average closing price 20 industrials 75.80, as compared with 76.65 corresponding day 1920; average closing price 20 railroad stocks 73.25, as compared with 79.64. (Wall St. Jour., Nov. 16.)

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Vol. III, no. 40.

Section 1.

November 17, 1921.

Freight Rate Cut An immediate slash of 10 per cent in the freight rates on all agricultural products, resulting in a saving to the country's shippers of \$55,000,000 annually, was decided on Nov. 16 at a meeting of the Association of Railway Executives in New York City. The executives will not wait for any relief in the form of wage reductions, and through a special arrangement with the Interstate Commerce Commission the usual thirty-day requirement for new rate schedules will be waived, making the lower rates effective inside of ten days. This is the first nation-wide freight rate reduction since the period of Federal control. The reduction is to hold for six months, by which time it is expected the United States Railway Labor Board will have adjudicated the wage cut cases so that additional rate reductions may be made. The lower rates will be effective throughout the country except in the New England district. An exception was made in this territory because of the weak condition of many of the carriers. This, in substance, is the proposal made by the railway executives to the Interstate Commerce Commission last Saturday after an all-day conference called by the commission to "determine on methods by which freight rates could be reduced." It is an "earnest of good faith" of the roads' intention to pass to the public any saving they might obtain through wage reductions, according to several executives, and in no way affected their demand for such reductions. (Press, Nov. 17.)

Taxation Legislation Conferees on the tax bill Nov. 16 agreed to further Senate amendments, including one striking from the measure the provision under which foreign traders and foreign trade corporations would have been exempted from taxation on their net income derived from sources outside of the United States. The Senate amendment fixing the maximum surtax rate at 50 per cent is to come to a vote in the House to-day. (Press, Nov. 17.)

World Finance Council Proposed Expressing confidence in the outcome of the conference on the limitation of armament at Washington, Frederick W. Gehle, of the New York Mechanics and Metals National Bank, proposed at the Bankers' Forum of the New York chapter, American Institute of Banking, Nov. 16, that bankers of England, France, Italy and Belgium and other European countries be invited to come to America for a conference on plans for the stabilization of the world's commerce, finance and banking. He pointed out to the 500 or more bankers present that no doubt existed that such a conference would result in bringing about a more speedy readjustment of business conditions generally. (N. Y. Times, Nov. 17.)

Section 2.

Agricultural
Financing

The War Finance Corporation has approved forty-two advances, aggregating \$1,201,000, for agricultural and live stock purposes, in Illinois, Wisconsin, Nebraska, Iowa, Minnesota, North Dakota, South Dakota, Georgia, North Carolina and South Carolina. The corporation also has approved an advance of \$500,000 to an exporter to finance the exportation of agricultural machinery to France. (W. F. C. press statement, Nov. 15.)

Agriculture

"Out on the Farms" is the title of an article by Archer Wall Douglas in The Annalist for Nov. 14, in which he says: "In your travels through the Central West and the Great Plains States you are constantly struck with the small amount of land actually under cultivation compared with that lying idle and not devoted to any discernible purpose, not even pastures and meadow. You are all the more impressed if you have recently read one of those numerous articles by economists which tell of the actually valuable land being taken up and that what remains is of inferior quality in fertility, all of which is supposed to have a direct bearing upon the future supply of food in this country. The answer that I got from the tillers of the soil to this apparent anomaly stated in a few words the farming problem as it exists to-day. If, in the State of Missouri, only 79 per cent is in farms, and of this farm area only about 50 per cent is under cultivation, the reason is that there is no inducement as a business proposition to have it otherwise. The problem of the farmer is not so much an increase in production as finding an adequate and remunerative market for what he already grows... When it takes two bushels of corn to buy a quart of ice cream in a confectionary store, the thought of the farmer naturally turns to the problem of how the price of that bushel of corn can be raised, especially when it now represents a loss in the cost of production..."

Cotton

1. The American Cotton Association has issued the Southwide Conference Report unanimously adopted at the recent Birmingham convention for regulating cotton production and crop diversification in 1922. This says in part: "It is the judgment of this convention that the cotton acreage of 1921 will, under normal conditions, yield a supply as large as the world can consume at prices profitable to the producers. Therefore it will be dangerous speculation to increase the cotton acreage this year. We summon the farmers, the bankers, the merchants and all others interested in a stable and prosperous agriculture to unite in a common endeavor to increase the production of food and feed crops and more and better live stock... The American Cotton Association calls upon all organizations of farmers and business men in the cotton states to inaugurate campaigns within their membership to secure adherence to this program, and that they cooperate in their several states in a united campaign to hold fast to the progress made that the South can and will stabilize the production and price of cotton..." (Jour. of Commerce, Nov. 15.)
2. A Boston dispatch to New York Daily News Record, Nov. 16, says: "If this year's cotton crop aggregates 7,000,000 bales, exclusive of linters, the total supply of American cotton available for world consumption during the current season will be 15,529,000 bales, compared with 13,586,000 last season and an average of 17,500,000 during (Cont'd on page 3.)

Cotton

2. (Cont'd)

the past seven seasons, according to an analysis of the world cotton supply by Alston H. Garside, statistician of the National Association of Cotton Manufacturers. Mr. Garside bases his analysis on statistics furnished the national association by Henry C. Hester, secretary of the New Orleans Cotton Exchange, and presents it in the monthly bulletin of the association."

Cotton Exchange Federation

Changes in the cotton marketing system are being effected by the Growers' Marketing Association now being federated into the American Cotton Growers' Exchange, according to C.O. Moser, secretary of that organization. Texas, Oklahoma, Mississippi and Arizona are the charter members of the organization and are all four marketing their cotton successfully through co-operative associations this year, according to Mr. Moser. Some idea of the magnitude of the movement may be obtained from a statement made by Walton Peteet, secretary of the Texas Farm Bureau, in which he said that the Texas Farm Bureau Cotton Association, a member of the exchange, had as much cotton to sell as any five cotton firms in the world. He further said that this cotton was all graded and classed and ready for immediate delivery. (Assoc. Press dispatch from Dallas, Tex., to press of Nov. 17.)

Dry Farming for Foreign Lands

An editorial in to-day's Washington Herald says: "The whole farming fraternity of the United States admires the unprecedented results of 'dry farming' accomplished by the truly great agricultural artists of Colorado. A correspondent suggests that if forty bushels of wheat can be produced on an acre of semi-arid land in America, could not similar results be obtained on the semi-arid plains of the old world, the eastern hemisphere? Would it not be a nice thing to send some of these successful 'dry farmers' over across seas as tilling missionaries, equipping them with American implements, teams, etc., to demonstrate and school the sleepy Orientals as well as some Europeans, so that famines may henceforth, now and forever cease to exist?"

Meat Exports

The quantity of meat and meat products exported during the first three-quarters of the current year showed an increase of 13 per cent, while the value showed a decrease of 22 per cent, according to a statement made public today by the Institute of American Meat Packers. Exports during the first nine months of 1921, aggregated 1,461,969,107 pounds, worth \$221,695,137, as compared with 1,268,672,870 pounds, worth \$308,478,021, during the same period of 1920, the statement asserts. Exports during September of this year showed an increase in quantity of 41 per cent over those of September last year, but there was a decrease of 2 per cent in value, according to the statement. (Press, Nov. 15.)

Milkmen Charge Conspiracy

Complaint that the New York Milk Conference Board, through an "unlawful combination and illegal conspiracy," maintains a monopoly of milk distribution in New York and is a price-fixing organization has been forwarded to Attorney General Daugherty, United States District Attorney Hayward, N. Y. State Attorney General Newton and the five County District Attorneys of New York City. This announcement was made Nov. 16 by John B. Johnston, counsel for the striking milk wagon drivers, who said that affidavits and documentary evidence were now in the mails. (N. Y. Times, Nov. 17.)

Milk Prices

The high cost of transportation is one of the factors responsible for increased milk prices, according to the report of the Committee on Transportation and Marketing of Milk and Milk Products made at the tenth annual convention of the International Association of Dairy and Milk Inspectors, which opened at New York, Nov. 14. (Press, Nov. 15.)

Prices

1. The Harvard University Committee on Economic Research, in a letter just issued on the commodity price situation, says: "Price changes are in prospect; it is probable that the prices of certain groups of commodities will advance very much more than will the prices of other groups, as always occurs when business is rising from the trough of depression. Our analysis leads us to the conclusion, consequently, that although many considerable price changes have occurred and others are in prospect, the present maladjustment of prices is merely the result of a somewhat greater disturbance than is usual in the present phase of the business cycle. The great decline in the prices of certain commodities, such as farm products, has diminished the producing power of a considerable portion of our population and has thus acted as a depressing influence upon industry." (Press, Nov. 15.)
2. An editorial entitled "Pull Agriculture Up" in Farm Implement News for Nov. 3 says: "Students of economic conditions are agreed that the most important thing to be done to start the nation on the road back to prosperity is to bring about conditions by which the prices of farm products will be substantially increased. They do not say that the desired result will be accomplished by bringing wages and the prices of other commodities down to the present level of farm prices. In his address at the implement manufacturers' convention Secretary of Agriculture Wallace declared emphatically against such decline, contending that it would be far better for the country if all commodities would be placed on a level 50 to 60 per cent above the prewar normal. All commodities taken as a whole are now at 52 per cent, or were when the latest official figures were issued, but farm products were only 22 per cent above prewar. A reduction in freight rates on farm products will advance farm prices to a somewhat higher level. A reduction that could be made without bankrupting the railroads would not close the gap between farm products and all commodities taken as a whole; but the railroads are in position right now to make such reduction as would effect considerable increase in farm prices."

Tariff

The American valuation plan as proposed in the Fordney tariff bill, was condemned in speeches and by a unanimous resolution in New York, Nov. 14, at a meeting held under the auspices of the National Council of American Importers and Traders, which was attended by a thousand leading business men and women. Speakers advanced two arguments against the plan - that it would have adverse effect on national prosperity and would raise international barriers and endanger international relations. (Press, Nov. 15.)

Wool Sale

The next Government wool auction will be held at Boston on December 1, when there will be offered 7,000,000 pounds of wool. (Jour. of Commerce, Nov. 15.)

Section 3.

Department of 1.
Agriculture

In an extensive editorial on "The National Dairy Show," The Creamery and Milk Plant Monthly for November says: "As usual, the exhibit of the United States Dairy Division was well designed and consistently carried out. It was Chief Larson's idea to make it, this time, strictly an exhibit for the milk trade, to bring home the lesson of efficient production and marketing. These are, perhaps, the most important points for the trade to learn..."

2. An editorial entitled "Why Not Add Utah to the List?" in Utah Farmer for Nov. 5 says: "The U. S. Department of Agriculture reports that as a result of educational campaigns conducted in 11 states, 15 cities and many counties the consumption of milk has been increased 3.5 per cent to 35 per cent. The outcome of the educational campaign has been that the health of the children has been improved, general undernourishment reduced, and the market for dairy products has been increased. There is urgent need for a campaign of this kind in Utah for the sake of the public and the development of the dairy industry..."

Section 4.

MARKET QUOTATIONS.

Farm Products

Nov. 16: Grain market undertone firm; volume of business large. Chicago December wheat closed higher at \$1.07; Chicago December corn higher at 48¢. Wheat and corn receipts light. Broom-hall estimates world import requirements 600,000,000 bushels, or 80,000,000 bushels less than world surplus. In Chicago cash markets: No. 2 red winter wheat \$1.20; No. 2 hard winter wheat \$1.08; No. 2 mixed corn 50¢; No. 3 white oats, 33¢. Prices to farmers in Central Iowa for No. 2 mixed corn about 33 1/2¢; to farmers in Central Kansas for No. 2 hard winter wheat 90¢.

Chicago hog market higher, bulk of sales \$6.70 to \$6.90. Medium and low grade killing steers dull; other grades and classes steady. Medium and good beef steers \$5.75 to \$10.50; butcher cows and heifers \$3 to \$8.50. Fat lambs down 25¢ at \$8.50 to \$9.25.

Potato markets generally steady. Prices at shipping points: New York Round Whites steady at \$1.75 per 100 lbs. Maine Green Mountains in bulk down 5¢ at \$1.46 to \$1.51. New York Danish cabbage higher at \$35 to \$38 per ton bulk. Massachusetts Yellow Globe onions steady at \$5.25 to \$5.50 per 100 lbs. sacked.

Eastern hay markets continue dully but prices are fairly steady. Atlanta reports hay on track unsold with demand very poor. Prairie hay in lighter demand at Chicago. Mill feed offerings light. Demand slow. Prices irregular in distributing markets, firm in western markets.

Butter markets easy. Receipts lighter; production increasing. Cheese markets quiet with more or less unsettled undertone following declines on Wisconsin cheese boards Monday.

Spot cotton higher at 16.67¢. New York December future also higher at 16.88¢. (Prepared by Bur. of Mkts. & Crop Est.)

Industrials
and Railroads

Nov. 16: Average closing price 20 industrials 77.13, as compared with 75.51 corresponding day 1920; average closing price 20 railroad stocks 74.08, as compared with 77.72. (Wall St. Jour., Nov. 17.)

